

ADOPTED BUDGET
FISCAL YEAR
2025 - 2026

OCTOBER 1, 2025 -
SEPTEMBER 30, 2026





Town of Prosper

Fiscal Year 2025–2026

Budget Cover Page

This budget will raise more revenue from property taxes than last year's budget by an amount of \$5,715,955, which is a 12.04 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$3,831,840.

The members of the governing body voted on the budget as follows:

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

AGAINST:

PRESENT and not
voting:

ABSENT:

Property Tax Rate Comparison

	2025–2026	2024–2025
Property Tax Rate:	\$0. 505000/100	\$0. 505000/100
No-New-Revenue Tax Rate:	\$0. 482348/100	\$0. 466941/100
No-New-Revenue Maintenance & Operations Tax Rate:	\$0. 311164/100	\$0. 313631/100
Voter-Approval Tax Rate:	\$0. 505000/100	\$0. 522075/100
Debt Rate:	\$0. 182946/100	\$0. 180392/100

Total debt obligation for Town of Prosper secured by property taxes: \$211,120,434

HB 1495: Lobby Reporting/Budgeting

The 86th Legislature passed HB 1495 to increase the transparency of local government lobbying. In accordance with Section 104.0045 of the Texas Local Government Code as amended by HB 1495 – Itemization of Certain Expenditures Required in Certain Political Subdivision Budgets - expense line items for public notices and lobbying efforts are provided below:

	Adopted FY 2024-2025	Amended FY 2024-2025	Estimated FY 2024-2025	Adopted FY 2025-2026
Lobbying Services	\$48,000	\$48,000	\$48,000	\$48,000
Legal Public Notices	\$27,050	\$26,050	\$9,935	\$23,050



FISCAL YEAR 2025 – 2026

ADOPTED VERSION

October 1, 2025 – September 30, 2026

Prepared By:

Chris Landrum, Finance Director

Colin Ashby, Budget Officer & Grants Administrator

Submitted to the Town Council on September 16, 2025

David F. Bristol, Mayor

Amy Bartley, Mayor Pro-Tem

Chris Kern, Deputy Mayor Pro-Tem

Marcus E. Ray, Council Member

Craig Andres, Council Member

Jeff Hodges, Council Member

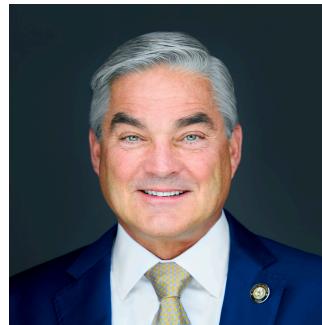
Cameron Reeves, Council Member

“Prosper is a place where everyone matters.”

TOWN COUNCIL



Council Member Place 3
Mayor Pro-Tem
Amy Bartley
Term: May 2026



Mayor
David F. Bristol
Term: May 2028



Council Member Place 4
Deputy Mayor Pro-Tem
Chris Kern
Term: May 2028



Council Member Place 1
Marcus E. Ray
Term: May 2028



The Mayor and each of the six (6) Council Member places are elected at large according to the Town Charter.



Council Member Place 2
Craig Andres
Term: May 2027



Council Member Place 5
Jeff Hodges
Term: May 2026



Council Member Place 6
Cameron Reeves
Term: May 2027

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INTRODUCTION



September 16, 2025

To The Honorable Mayor and Town Council

Re: *The FY 2025-2026 Adopted Budget*

In accordance with the Town Charter and the State of Texas statutes governing home rule municipalities, please accept this letter as my budget transmittal and executive summary of the Adopted Annual Budget for the operating, capital and debt service funds of the Town. The Town's Adopted Budget is developed through an extensive process of reviewing requests received by various Town departments and then prioritizing those requests in a manner that utilizes resources effectively, within fiscal constraints, while working to achieve the Town Council's strategic vision. As prepared and submitted, the Adopted Budget is intended to:

- Serve as an operating and fiscal plan for the new fiscal year,
- Provide a basis of accountability to the taxpayers for the investment of their tax dollars,
- Serve as a basis for measuring the performance for those individuals charged with the management of the Town's operations; and
- Demonstrate compliance with financial related policies passed by the Town Council.

The annual operating, capital and debt service funds budgets combined with the multi-year capital plan contained herein represent the single most important management tool of the governing body and the staff.

BUDGET OVERVIEW

This budget was prepared based on the Town Council Strategic Vision adopted in May 2024 of:

1. Acceleration of infrastructure.
2. Development of Downtown Prosper as a destination.
3. Ensure that the Town's commercial corridors are ready for development.
4. Continue to provide excellent municipal services.
5. Work towards a growing and diversified tax base.

In the first five years of the originally ten-year \$210 million November 2020 bond program 79% of the authorized bonds will have been issued with \$43.5 million of authorized but unissued bonds remaining. A 2025 bond election which includes propositions for infrastructure, a library, various park improvements, and other critical facilities will be called for November 2025.

Regarding the development of Downtown Prosper as a destination, multiple businesses including several restaurants have opened during the year and a new multi-family development is now open. The Downtown Advisory Committee has been actively programming Town funding for improved aesthetics and walkability. A new Downtown Plaza is underway on Broadway, and the design phase for a new Downtown Monumentation project is complete. The Communications team and the EDC have created new websites to promote Downtown Prosper as a destination, and several Downtown events are planned, including the Prosper on Tap series and the annual Christmas Festival.

For readying commercial corridors, the Town is progressing with the updating of its Comprehensive Plan to guide development over the next several years. A consultant has been hired to fully realize the vision along the Dallas North Tollway Corridor. Infrastructure, including roads, water lines, and wastewater lines, to support these corridors continue to be a major emphasis.

Excellence in municipal services begins with public safety. Construction on a fourth fire station is well underway, and benchmarking of public safety staffing levels compare well with surrounding cities. While quality of life starts with public safety, it cannot stop there, and the current budget includes the operating costs for service Raymond Community Park currently under construction with expected completion this Fall.

Regarding a diversified tax base, this element of the vision is supported by the other four and the Town is quickly transitioning from simply a bedroom community by adding a growing commercial base that includes two pediatric hospitals, a significant and growing retail base that includes the most prominent national chains, three car dealerships and two hotels currently under construction with two more planned.

Despite the Town's current and future growth potential and general optimism, this budget has been prepared with conservative revenue assumptions in mind and budget challenges related to the Town's rapid growth continue.

BUDGET IN BRIEF

Total FY 2025-2026 Adopted Budget Operating Appropriations \$124,847,464 including:

- \$68,209,022 for General Fund operations and maintenance,
- \$3,427,736 for the Crime Control and Prevention Special Purpose District,
- \$3,460,919 for the Fire Control, and Emergency Medical Services Special Purpose District,
- \$49,749,787 for the Town's Enterprise Funds including Solid Waste, Water, and Sewer utilities as well as the Storm Drainage Utility Fund.

General Debt Service Appropriations for the coming fiscal year are \$21,165,328.

Governmental Capital Projects added for the year total \$39.4 million.

VALUE OF TAXABLE PROPERTY AND GROWTH

The growth in taxable value of real property corresponds to a significant increase in residential growth and population over the past year. According to the most recent population estimates published by the North Central Texas Council of Governments (NCTCOG), the Town of Prosper's new population as of January 1, 2025, was 46,087. The Town has 13 active residential subdivision phases with a total of 1,182 lots that are either shovel ready, under construction, or have plans under review.

The Town experienced an overall 12.3% increase in assessed values for the 2025 tax roll with 2/3rds of the increase (7.9%) new construction and 1/3rd (4.4%) from increases in existing valuations. The Town is also seeing an 8.4% increase in homestead property values that qualify for the over 65 and disabled persons exemption and freeze and is expecting this trend to continue.

PROPERTY VALUES

Certified property valuations increased by \$1,184,390,312 (12.3%) for FY 2025-2026. Property values increased from \$9,622,101,595 to \$10,806,491,907. These totals exclude value of properties subject to the tax freeze. Of the increase, \$758,780,238, or 7.9%, resulted from new construction, compared with \$870,449,826 last year. New value added to the tax roll will continue to be primarily from residential growth, however, commercial growth continues to expand at a strong rate.

PROPERTY TAX RATE

The Adopted FY 2025-2026 Budget proposes a property tax rate of \$0.505 per \$100 of taxable assessed valuation. The total tax rate is divided between Maintenance and Operations (M & O) and the Debt Service Fund. Of the total tax rate, the \$0.322054 cents maintenance and operations levy is split between \$0.224854 for the General Fund, \$0.0972 for the Capital Dedicated Fund with a \$0.182946 levy for general obligation debt service. Even with carving out 9.72 cents of the M & O levy for Capital Dedicated purposes, property taxes are 38.4% of the Proposed revenue in the General Fund. The portion of the tax rate dedicated to debt service is approximately 36% of the overall Town tax rate well within policy guidelines of no more than 40% specified by the debt management policy.

SALES TAXES

The Town of Prosper levies a 1.50% tax on all taxable items sold within its borders (the Economic Development Corporation's 0.50% tax is in addition to the Town's 1.00% tax). In May 2023, the citizens renewed the Crime Control and Prevention District and the Fire Control, Prevention, and Emergency Medical Services District through 2043 with each collecting 0.25% of dedicated sales and use tax. Each district is reported as a special revenue fund and sales and use tax is 99% of revenue in these funds. As sales tax revenues have become a prominent funding source, this will help dedicate more resources to the public safety needs of the Town. This budget reflects the seventh year since the districts were created. Overall, the Adopted Budget includes \$13,199,055 in sales tax revenues, compared to \$12,308,897 in the FY 2024-2025 revised year end estimate. This is largely attributable to the continuing retail and commercial development growth in Prosper. The one percent sales and use tax reported to the General Fund comprises 19.2% of total revenue in the Adopted Budget. See the table below labeled Commercial Taxable Property and Growth which reflects major retail developments coming online during the next budget cycle. The Adopted Budget reflects a sales tax estimate of 7% growth from the current year end projection.

COMMERCIAL TAXABLE PROPERTY AND GROWTH EXPECTED FY 2025-2026	
Name	Square Feet
Gates Phase 3 (commercial)	136,075
Prosper Business Park Phase 4 & 5 (office)	99,987
One United Volleyball	73,645
Eagle Crossing Phase 2 (retail/warehouse/office)	72,700
Marriott Hotel	55,200
Prosper Tollway office park	28,500
Broadway Retail	29,120
Other >25,000 each	190,560

EMPLOYEE PAY AND BENEFITS

Sworn Fire and Police personnel are on a step plan and civilian pay is based on a performance merit system. The Town employees can receive up to a 3% merit increase based on their annual performance. Employees will continue to see their steps or annual merit adjustments based on performance. The FY 2025-2026 Adopted Budget includes salary changes according to a comprehensive market study. This market study adjusts sworn personnel by a market rate averaging over 4.5%. For non-sworn personnel adjustments include a market rate averaging 2.5%. The total impact included in the budget is \$706,000.

The Town has historically provided a competitive and innovative benefits package to employees, offering a selection which best suits employees' individual and family needs. Providing these options has benefitted not only recruitment efforts, but also retention of employees. The Town's estimated contribution for employee healthcare benefits is \$5,732,137, for fiscal year 2025-2026. With insurance premiums rising, the town has increased their contributions by 24%, with the employee picking up a 5 or 10% increase depending on their plan. The Town currently offers high deductible and PPO medical plans.

PROGRAM AND STAFFING LEVELS

The Town of Prosper currently has 410.75 authorized full-time equivalent (FTE) staff members allocated among the various operating departments, excluding EDC. The Proposed budget includes an increase of 23 full-time equivalent positions. Details of all requested positions can be found in the Authorized Positions page of this document. The Adopted Budget includes the following staffing additions by department and changes to occur shortly after the beginning of October 2025 for non-General Fund Positions and February 2026 for General Fund Positions:

Fund	Department	FTE
General	Finance	1.0
General	Police	6.0
General	Fire	9.0
General	Traffic	1.0
General	Parks and Recreation	2.0
General	Library	1.0
Water/Sewer	Public Works	2.0
Stormwater Drainage	Public Works	1.0
	Total FTE	23.0

UTILITY RATES

Water and Wastewater. During this time of rapid growth for both the Town and its regional suppliers, the Town has committed to annual rate studies conducted by an outside rate consultant with a great deal of familiarity with the region and is also obtaining frequent updates of its water and wastewater masterplan. Charges from its regional suppliers represent approximately 50% of the operating costs of the utility fund and are expected to rise significantly in future years due to expansion of both potable water and wastewater treatment capacity. The financial goal for the utility is to operate on a breakeven basis over time while complying with all adopted financial standards, maintaining its water and wastewater infrastructure in good condition and meeting or exceeding required debt coverage ratios. In fiscal year 2024-2025 a blended 10.4% increase was approved. Now however, the most recent rate study recommends, and Town staff has included a blended 8.8% increase comprised of water (6.26%) and wastewater (15.08%) rate increase for the current year. Given projections of our regional suppliers and planned debt issuance to fund the Town's share of the Doe Branch wastewater plant expansion future annual increases are expected the actual size of the increases will be evaluated annually.

Solid Waste. With the transition to a new provider complete, the Solid Waste Fund is now self-sufficient and building towards its Fund Balance target of \$250,000. The new contract for all commercial and residential solid waste services is for an initial seven-year period ending January 31, 2031. Rates are adjusted each February 1st based on CPI, fuel, and disposal rate adjustments. The goals for the new contract were:

- Greater contract monitoring and contract remedies to improve quality of service.
- Owning the residential collection carts improving flexibility in changing providers and promoting the Town's "brand".
- Creating a self-supporting solid waste operation with all costs offset by user fees.

These goals are consistent with the Strategic Vision of "*Excellence in Municipal Services*" with early feedback from citizens being overwhelmingly positive.

Stormwater Drainage. Storm Drainage rates will increase by \$1 across all rate categories, resulting in an estimated revenue increase of \$558,305. This is the first rate adjustment since FY 2017–2018. Under the proposed rates, residential Tier 1 customers will pay \$4.00 per month, and Tier 2 customers will pay \$6.15. Commercial customers will be charged \$2.00 per 1,000 square feet of impervious surface.

GENERAL FUND

The FY 2025-2026 Adopted Budget, as presented, is based on using a tax rate of 22.4854 cents per \$100 of assessed value. Each additional penny of the tax rate generates approximately \$1,080,649 in property tax revenue.

The target reserve level (Fund Balance) is set at 21% (approximately 75 days) of total appropriations. Target Fund Balance is based on a Town Charter requirement of 20% and a Town Council policy of an additional 1%. Budget estimates project fund balance to be at 21% at the end of FY 2025-2026.

At the end of FY 2025-2026, the projected total Fund Balance reflects an increase of \$31,542 to \$11,823,851. The Town continues to focus on utilizing recurring revenues to fund enhancements with a one-time cost, rather than funding items with a recurring cost. This practice allows the Town to gain these dollars back in future years to be utilized in a similar manner.

GENERAL FUND REVENUES

For FY 2025-2026, General Fund revenues are expected to total \$68,240,564 which is an increase of 32.8% over the previous year's amended budget. This additional revenue is from increased property and sales tax, and franchise fees. The growth of this fund is largely the result of continuing residential and commercial development and population growth in Prosper. It is the Town's preference to take a conservative approach in budgeting these major revenue sources.

Sales Tax revenues continue to increase. Historically, the Town has conservatively forecasted the sales tax revenues. The Adopted Budget reflects 7.2% growth from FY 2024-2025 year-end projected sales tax receipts. The General Fund is projecting sales tax revenue of \$13,199,055 for FY 2025-2026. This proposal also contains a plan to transfer the sales tax revenue received in the Special Purpose Districts transferred to the General Fund to pay for police and fire salaries that would normally be paid within the Special Purpose Districts.

License, Fees and Permits Revenues are projected at \$7,864,747 for FY 2025-2026, an increase from the previous year. The Budget still reflects steady new residential and non-residential construction, albeit at a slower pace. It is assumed the Town will issue approximately 800 new residential permits in the coming year. Additionally, fee adjustments have been proposed to be consistent with other communities in the area. This includes increases to Engineering Fees, Building Fees, Planning Fees, and Health Fees.

Licenses and Franchise Fees are projected to rise with population. Municipal Court Fines are projected to increase in FY 2025-2026. General Fund Revenues by Source:

Revenue Category	FY 2025-2026	% of Total
Property Tax	\$26,277,088	38.5%
Sales Tax	13,199,055	19.3%
Franchise Fees	4,685,174	6.9%
License, Fees & Permits	7,834,247	11.5%
Transfer In from SPD	6,885,055	10.1%
Transfer In from CIP	1,479,216	2.2%
Other	7,880,729	11.5%
Revenue Total	\$68,240,564	100.0%

GENERAL FUND APPROPRIATIONS

Total General Fund Appropriations for the FY 2025-2026 Adopted Budget are \$68,209,022. Personnel costs make up approximately 70% of the General Fund budget. The Adopted budget includes 20 additional staff members for the General Fund.

The major Program Enhancement and Capital Expenditures included in the Proposed appropriations and planned for FY 2025-2026 by department are as follows:

Administration:

<u>Enhancements</u>	<u>Amount</u>
Comprehensive Compensation and Benefits Study and Funding	\$706,000
ERP System Maintenance	\$309,408
Digital Plan Review Platform Migration	\$95,799
Risk Management Consultant	\$25,000

Police:

<u>Enhancements</u>	<u>Amount</u>
Flock Safety Program Expansion (Grant)	\$1,954,539

Parks and Recreation:

<u>Enhancements</u>	<u>Amount</u>
Raymond Park Water Charges	\$370,000

A complete summary listing of the Proposed enhancements with a detailed explanation can be found in the Appendix section of this document.

DEBT SERVICE (Interest & Sinking [I&S]) FUND

With the planned August 2025 issuance, the Town of Prosper will hold just under \$268.4 million in outstanding tax supported debt. \$19.45 million of new money will be issued for road, public safety and parks projects, and \$23.3 million in new money is planned to be issued for water infrastructure projects and is paid from water, sewer revenues. In the past; to obtain a more favorable interest rate, the debt also had a tax pledge. Last year the Town issued Revenue Bonds whose sole repayment source is water and wastewater revenues. These bonds have a rating of AA- (stable) from Standard & Poor and AA (stable) from Fitch Ratings. The Town's \$203.95 million of tax supported debt, issued for roads, public safety and parks has a debt rating of Aa1 from Moody and AA+ from S&P. For the FY 2025-2026 General Obligation debt issuance, S&P rated us at AA+ (stable) and the Town received a AAA (stable) rating from Fitch Ratings marking a culmination of hard work to improve the Town's credit rating for future debt issuances.

Appropriations for FY 2025-2026 in the Debt Service Fund will total \$21,165,328. This represents a 12.32% increase from the prior year's budget. This increase is a result of a planned issuance of \$19.45 million from the \$210 million approved bond package which will be 2025 General Obligation Bonds in FY 2025-2026.

WATER AND SEWER FUND

The Water and Sewer Fund's principal source of revenues are charges to customers for water use, wastewater treatment, and fees related to providing consumers with new water and wastewater services. Total fund revenues for FY 2025-2026 are estimated to increase to \$47,336,191 (an increase of 19.41%) over the previous year's amended budget. The increase is due to an increase in the number of accounts along with customer rate increases to keep pace with the passthrough charges from the regional water providers and funding the Town's share of wastewater treatment expansion. The adopted business plan for the Water and Sewer Utility Fund identifies the need for revenue growth to cover existing and future operations and maintenance costs as well as debt service and contracted water and sewer costs with the Upper Trinity Regional Water District and North Texas Municipal Water District.

Water & Sewer Fund Revenues by Source:

Revenue Category	FY 2025 Adopted	% of Total
Water Charges	\$27,821,398	58.8%
Wastewater Charges	18,074,593	38.2%
License, Fees & Permits	193,000	0.4%
Penalties	205,500	0.4%
Investment Income	350,000	0.7%
Miscellaneous	691,700	1.5%
Revenue Total	\$47,336,191	100.0%

The Town of Prosper along with other surrounding municipalities' purchases treated surface water from the North Texas Municipal Water District (NTMWD). The Adopted budget reflects increased water consumption due to growth in customers and demand. Rates from NTMWD will increase by 14.9% from \$3.96 to \$4.24 per 1,000 gallons of water purchased.

The Adopted budget includes an increase of 2 additional staff members for the Water and Sewer Fund. The major Program Enhancement and Capital item expenses budgeted in the Water/Sewer Utility Fund by department include:

Water:

<u>Enhancements</u>	<u>Amount</u>
Water Meter Replacements	\$449,981
Increased Smoke Testing	\$90,000
Automatic Transfer Switch	\$65,000

Currently, the Water and Sewer Fund holds just over \$71.82 million in outstanding debt. The Town recognizes that in this time of fast growth significant additional debt is required and has developed a strong set of financial policies that it believes will serve the Town well into the future. With the growth and maturing of the Water and Sewer Fund, Revenue Bond ratings were sought and obtained as a conformation of the long-term strategy.

In addition to the financial policy requirement to maintain debt service coverage ratios of 1.25 times average annual debt service, the Town's debt covenants for Revenue debt also specify a coverage ratio of 1.10 times maximum annual debt service and 1.2 times next annual debt service and a debt service reserve.

DRAINAGE UTILITY FUND

Currently, the Drainage Utility Fund holds \$2.24 million in outstanding debt. The Town will implement the first fee increase since FY 2017-2018. Under the proposed rates, residential Tier 1 customers will pay \$4.00 per month, and Tier 2 customers will pay \$6.15. Commercial customers will be charged \$2.00 per 1,000 square feet of impervious surface.

CAPITAL PROJECT FUNDS

The Town continues to strengthen management of its capital program. Multi-year capital budgets are adopted in the Capital Project Funds. The Capital Improvement Sub-Committee of the Town Council prioritizes projects for the current year and future years. The Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities. The budget for these projects is independent of the operating budget and are typically funded with bonds, grants, fund balance, special restricted revenue, or other sources of capital from developers or other private investment. Appropriations are adopted on a "Project" basis and continue until the project is completed which typically spans fiscal years. The table below summarizes the capital projects added for FY 2025-2026.

Street Projects	
First St. Whitley Place Open Space	250,000
Gee Road (US 380 - FM 1385) - 2 NB Lanes	1,100,000
Coleman (Gorgeous - Prosper Trail) - 4 Lanes	15,500,000
Coleman (Prosper Trail – Talon) - 2 SB Lanes	5,000,000
Craig Street (Preston - Fifth)	4,400,000
Godwin Parkway (DNT – BNSF RR)	2,000,000
Traffic Signal - First & Artesia	140,000
Traffic Signal - Teel & Prairie	140,000
Traffic Improvement Projects	1,500,000
Traffic Signal - Legacy & Prairie	140,000
Traffic Signal – Legacy & Prosper Trail	85,000
Traffic Signal – Legacy & Starwood	85,000
Unprogrammed Streets Projects	320,098
Parks Projects	
Raymond Community Park Dam Repair	350,000
Downtown Park	200,000
Rec Center Strategic Implementation	100,000
Playgr. Shade Struct. - Lakewood, Hackberry	200,000
Security Cameras – RCP, Lakewood	250,000
Pecan Gr. & Whitley Pl. HOA Irrigation Separation	125,000
Mirabella Park (Tellus)	500,000
Creekside Park (Shaddock)	445,000
Prairie Park Restroom Enclosure	250,000
Downtown Monumentation	255,000
Raymond Community Park	128,000
Dream Park	3,000,000
Prairie, Richland, Mahard Medians	900,000
Unprogrammed Parks Projects	350,000

Facility Projects	
Parks and Public Works, Phase 1	5,397,062
Facility Improvement Projects	300,000
Unprogrammed Future Public Safety	300,000
Water & Wastewater Projects	
First Street (DNT – Coleman) - 12" Water Line	2,500,000
6MG Ground Storage Tank - Construction	5,695,000
Craig St 2MG EST Rehabilitation - Design	2,540,000
US 380 30" Water/8" WW Line Relocation	1,800,000
Unprogrammed Water/Sewer Projects	131,069
Drainage Projects	
Old Town Regional Detention Pond #2	200,000
Unprogrammed Drainage Projects	56,690

REGIONAL PARTNERSHIPS

Continued partnerships with other entities have produced multiple saving opportunities for shared services or improving our customer service to residents and visitors alike.

- The Town has an Interlocal Agreement with PISD to access their fueling facility for emergency purposes and to use specified PISD facilities for recreation and other programs.
- The Town renews its agreements along with several area cities to contract with Collin County for Animal Control and Sheltering Service.
- The Town has Interlocal agreements with Frisco for the Police and Fire Departments to access their radio system.
- The Town has Interlocal Agreements for landscape services with the City of McKinney and City of Frisco.

GENERAL DISCUSSION ITEMS/COUNCIL POLICY GUIDANCE

The five elements of the council strategic vision all complement each other, and all contribute to the ultimate quality of life and a thriving community at build-out. This does not mean, however, that the elements do not compete against each other for funding, with the greatest competition existing between Acceleration of Infrastructure and Excellent Municipal Services. Three years ago, (FY 2022-2023), the Council created a Capital Dedicated portion of property tax that is budgeted for 9.72 cents of rate and \$10.5 million of funding. This capital dedicated levy would otherwise be used to provide General Fund services and is creating pressure to keep the General Fund budget lean.

On the expenditure side multiple discretionary budget requests have been reduced or eliminated. In addition, non-recurring requests that exceeded a \$250,000 threshold and were clearly capital in nature were removed and will be considered for Capital Dedicated or other capital project funding.

CONCLUSION

While budgets are always a challenge, we have worked diligently to propose a budget that accomplishes Council goals to expand services and competitively compensate staff while holding the line on the tax rate. We have also presented a future five-year financial plan to help manage the decisions made for the next fiscal year and the impact it has on future fiscal responsibilities. The Town's Adopted Budget addresses the current and future growth and infrastructure expansion demands while recognizing the current service needs of its residents.

I would also like to compliment and thank the entire Town staff for their dedication, diligence, and fiscal accountability in providing their respective services to the Town Council and the residents of Prosper.

Sincerely,

Mario Canizares
Town Manager

Entity Profile

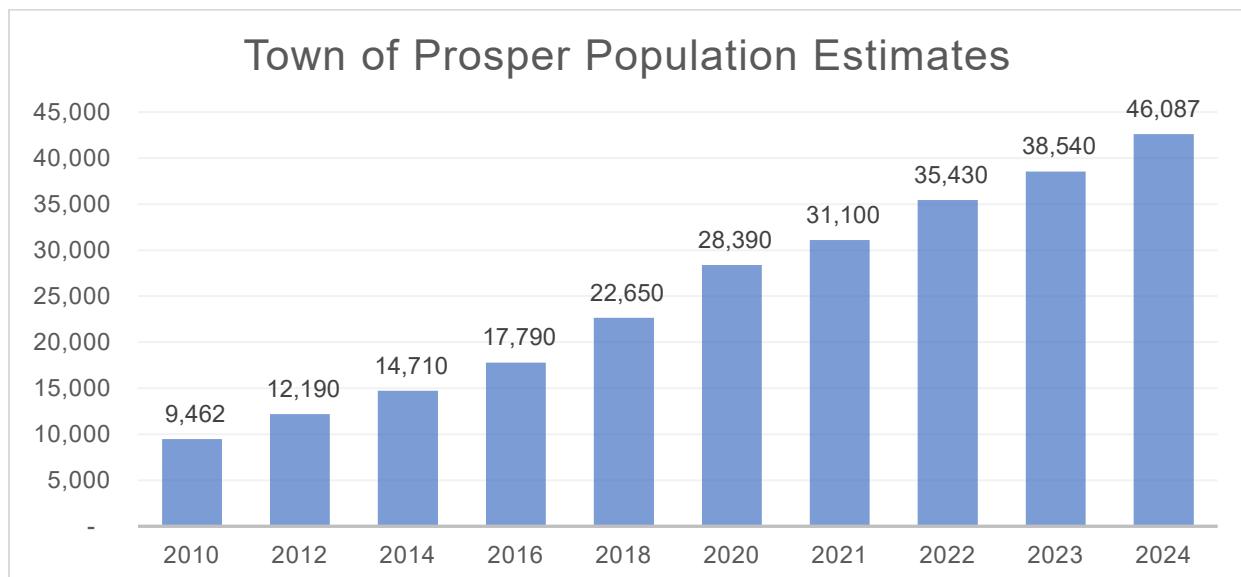
The Town is a political subdivision and a home rule municipality under the law of the state. A Home Rule Charter was approved by the voters of the Town at an election held November 7, 2006, and revised on May 14, 2011, and May 6, 2017. The Town operates as a Council-Manager form of government with the Town Council comprised of the Mayor and six Council Members. The term of office is three years. The Town Manager is chief executive officer of the Town.

Services the Town provides include public safety (police, fire protection, and dispatch), and municipal court, public streets, water/wastewater, solid waste and storm drainage utilities, parks and recreation, library, public improvements, engineering, planning and zoning, building inspections and code compliance, economic development and general administrative services. Some services, such as legal and solid waste/recycling, are outsourced in full or in part to the private sector.

The Town is located in North Central Texas and covers approximately twenty-seven square miles of the Dallas/Fort Worth Metroplex ("DFW"). Prosper includes areas in Collin and Denton Counties, with most of the Town's population residing in Collin County. The Town is located at the crossroads of Preston Road and US Highway 380 and is just five minutes north of the bustling Dallas North Tollway cities of Frisco and Plano.

Prosper is home to nationally recognized educational opportunities. The Fire and Police Departments have received excellent marks for exemplary service and response times. The community has over 634 acres of open space and parks and is providing connectivity to all of them. Most neighborhoods boast larger lots and have active Homeowners Associations which protect quality and aesthetics. The Dallas-Fort Worth airport is within 45 minutes of the community with easy access to interstate and tollway systems. Prosper was chosen as the North Campuses for Children's Hospital and Cook Children's Hospital. In 2019, Prosper was recognized in two publications as one of the top 25 "greatest small towns to live in the U.S." With a median income of \$214,000, the community is one of affluence, with access to numerous amenities, excellent health care, and opportunities for business growth.

The 2010 Census population for the Town was 9,423, the 2020 Census population was 30,174, and the 2025 population is estimated at 46,087.



Demographics and Economic Statistics

2024 Estimated Population: 46,087**

2025 Assessed Valuation: \$10,806,491,907

Median Age: 36.22*

Median Household Income: \$214,000**

Number of Households (includes renter-occupied apartments): 13,702*

Square Miles: 27

Unemployment Rate: 4.9%*

Major Employers:

Prosper ISD	Public Education	3,334
HEB	Grocery Store	570
Cook Children's Campus	Medical	510
Kroger	Grocery Store	500
Town of Prosper	Municipality	411
Walmart	Grocery/Retail Store	270
Chick-Fil-A	Restaurant	240
Home Depot	Home Improvement Store	185
Target	Retail	160
Lowe's	Home Improvement Store	150
Texas Health Resources	Medical	120
Dick's/Field & Stream Sporting Goods	Retail	95

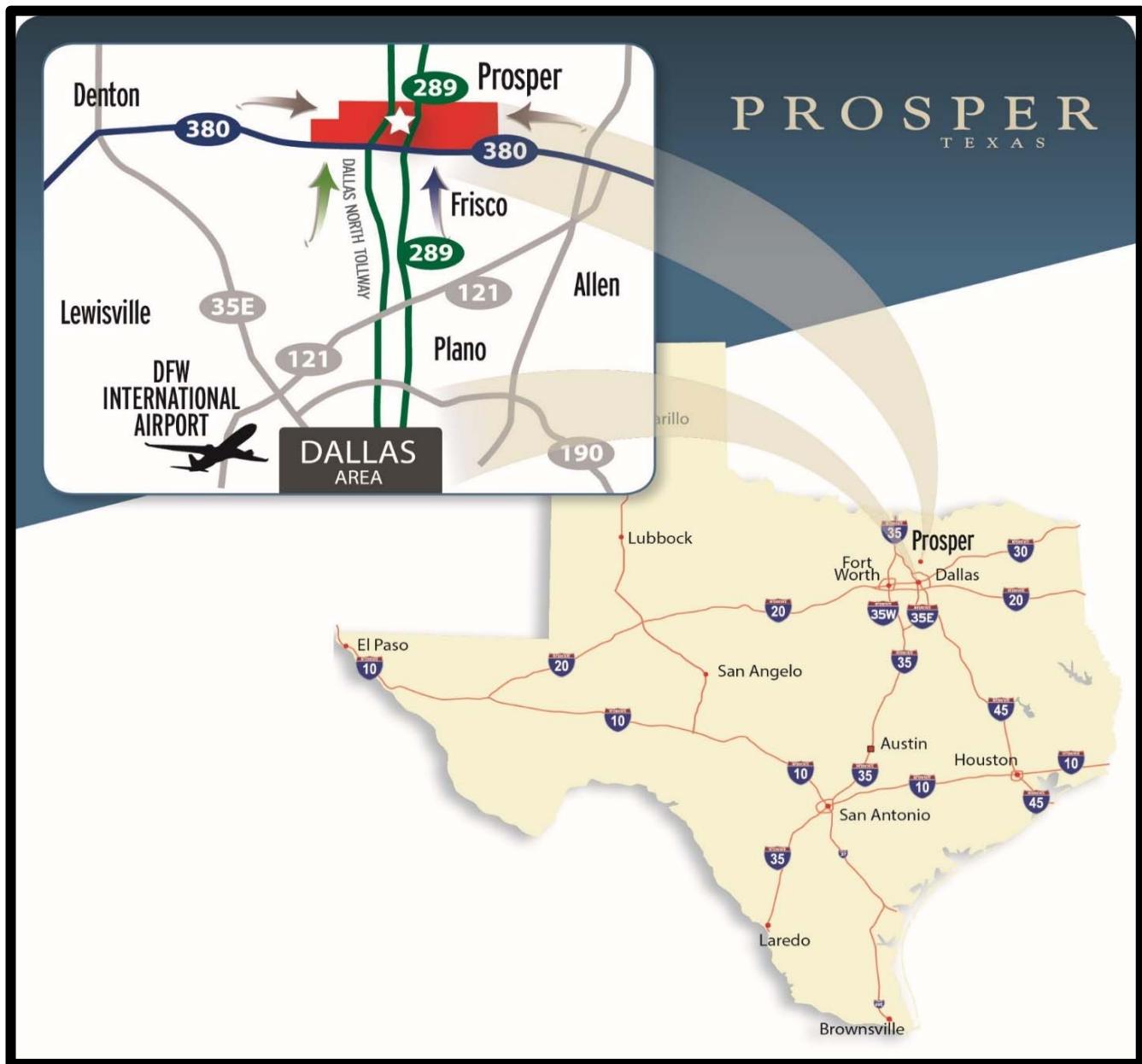
Major Taxpayers:

	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>
380 & 289 LP	\$97,243,028	0.90%
GOP #2 LLC	\$86,459,564	0.80%
Orion Prosper Lakes LLC	\$68,610,636	0.63%
DD Bluestem LLC	\$68,400,000	0.63%
GOP Multifamily LLC	\$61,499,384	0.57%
Orion Prosper LLC	\$53,637,255	0.50%
289 (Preston) & 380 LP &	\$49,879,759	0.46%
Prosper Residences LLC	\$38,432,617	0.36%
Crossland Texas Industrial LLC	\$35,378,312	0.33%
Ryse Up Sports Nutrition LLC	\$31,921,150	0.30%

* Data retrieved from Placer.AI

** Data retrieved from Prosper Economic Development Corporation

*** Data retrieved from Denton County CAD and Collin County CAD



The Budget Process

PURPOSE OF AN ANNUAL BUDGET

The Town of Prosper Budget serves multiple purposes. It is:

- The legally adopted and binding financial and spending plan of the Town.
- A communication tool to residents, businesses, and employees regarding the Town's priorities and initiatives.
- A demonstration of financial stewardship including compliance with all applicable laws and regulations.

BUDGET OVERVIEW

The Town's fiscal year is from October 1st to September 30th. The Budget is regulated by both Town Charter, Town financial policies and by State statute. Each fund within the Town has its own budget. Budgetary control is defined by the Town charter and is at the department level meaning that each department's appropriations cannot be exceeded or increased without formal action of the Town Council. Budget changes if made are by ordinance and shall become an attachment to the original budget. Final adoption of the budget by the Town Council shall constitute the official appropriations as proposed for expenditures in the current year and shall 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.

PREPARATION OF THE ANNUAL BUDGET DOCUMENT

Budget preparation begins with the strategic vision and priorities of the Town Council. In the spring, staff will present to the Council a multi-year budget forecast to provide a preview of the upcoming budget year and to identify any items or programs that the Council would like additional information.

Internally, Department heads are provided worksheets and forms for submission. April, the Budget Preparation Manual is distributed to departments for review. Submissions include funding requests for personnel, improvements to public services, capital outlays and enhancement projects. Once received from departments, the Finance Department carefully reviews and evaluates each department's budget submissions for completion and line-item consistency. The overall picture of estimated revenues and proposed expenditures is studied. Focusing on the Town Council's vision for Prosper and providing the most efficient and effective services to the Prosper citizens. These budget requests are reviewed by the Town Manager and his or her Executive Team.

The last week in July, certified property tax rolls are received from the two county appraisal districts serving the Town providing management a clearer picture of the revenue available to fund programs. Final adjustments are made, and the Preliminary Budget is presented to the Town Council the first Council meeting in August. The Preliminary Budget is a staff document that following changes and approval by Town Council becomes the Proposed Budget, which starts the required due process procedures including legal notice and posting and the scheduling of a public hearing. This eventually culminates into Town Council public hearing in 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.

As required by charter, the Town Manager also submits a five-year capital plan as an attachment to the annual budget. This plan is prepared in conjunction with the Capital Project Fund budget. Each year new capital projects are added to the fund and the appropriations for these projects carry over from year to year until the project is completed.

BUDGET ADMINISTRATION

The Fiscal Year begins, and the approved budgets are then under the management of the responsible Department Head and ultimately the Town Manager.

The Town Manager submits monthly financial reports as required by Town Charter and actively manages any shortfalls in revenues or overages in expenditures. Unless known to be immediately necessary or significant in value, budget amendments will be done towards the close of the fiscal year, taking into account other possible savings within the fund.

Encumbered amounts are charged to the budget year in which the appropriation was created provided that the invoice for the good or service is received within two months of year end. On November 30th all purchase orders related to operations lapse. Purchase orders related to multi-year capital projects are recorded in the capital projects fund and do not lapse.

Summary of Financial Policies

The Town's Administrative Regulations includes 22 chapters with six chapters having the greatest impact on day-to-day financial management and resulting financial position of the Town. These are: Chapter 12-Vehicle Equipment and Replacement Fund, Chapter 13-Fund Balance, Chapter 15-Debt Management Policy, Chapter 16-Debt Post Issuance Policy, Chapter 17-Financial Management Policy, and Chapter 21-Capital Project Management Policy

Brief summaries of each policy are included below with the complete policy included as an appendix to this book. To facilitate a logical topic flow, policies will not necessarily be discussed in chapter number order.

Chapter 17-Financial Management Policy

The rapid growth of the Town has required rapid expansion of personnel, infrastructure, facilities and finances. To address these issues the following policies are designed to promote strong financial management.

Annual Audit and External Financial Reporting. Requires annual issuance of a Annual Comprehensive Financial Report (ACFR) and audit. Establishes criteria to ensure that the external auditor hired will be sufficiently experienced in state and local government audits to provide a quality audit. Requires all auditor findings regarding internal controls to be addressed.

Operating Budgets. Sets the timing for the budget process and level of budgetary control. Requires a structurally balanced budget in which recurring expenditures may not exceed recurring revenues. Non-recurring expenditures may be funded from recurring revenues, non-recurring revenues and fund balance in excess of policy reserves. Budgets that draw reserves below policy requirements are deficit budgets and a plan must be established to replenish policy reserves.

System of Internal Controls. Town Management and the Finance Director are responsible for Town-wide written guidelines for accounting, reporting and compliance. All Department Directors are responsible for ensuring these policies are followed in their respective departments.

Tax Rate Management. Establishes a capital dedicated portion of the M & O levy that can be used fund pay as you go projects and reduce debt issuance in the short-term and then as capital facilities are built but revenue growth has slowed, can be redirected to fund operations required for the new facilities.

Revenue Management. Does not permit dedication of general revenues for specific purposes. User based fees should be cost based and may be classified as "full" "partial" or "minimal" cost recovery. Impact fees for water, wastewater and roadways will be reassessed every five years. Utility rates will be self-supporting.

Expenditure Control. All expenditures must be appropriated by budget. Operating appropriations that are not expended or encumbered at year end lapse.

Financial Condition and Reserves. Reinforces the requirement for no operating deficits. Establishes General Fund Reserve at the 20% charter reserve as restricted fund balance and unassigned fund balance of 1% for a total of 21% (2 ½ months of expenditures). Establishes \$25,000 cash reserve for both Fire and Crime Control Special Purpose Districts. Requires enterprise funds to be self-sufficient.

Capital Improvement Program. Requires annual updates of the five-year capital improvement program including projected operating costs of new facilities and improvements.

Chapter 13- Fund Balance Policy

Establishes the basis and need for maintaining minimum fund balance reserves, defines categories of fund balance for financial reporting and references GFOA Best Practices for determining adequate fund balance. Fund Balance is set at a total of 21% ($2\frac{1}{2}$ months expenditures) for the General Fund, 3-5% for Debt Service Fund, 25% (3 months expenses) for the Water and Sewer Fund, \$250,000 for the Solid Waste Fund and 17% (2 months expenses) for the Stormwater Utility Fund.

Chapter 21- Capital Projects Management Policy

The rapid growth of the Town has created oversized capital budgets relative to operating budgets including long-term agreements with developers for construction of infrastructure that may not be completed for many years following the agreement. From a materiality standpoint infrastructure is often the largest single item in a government's financial statement and must be properly accounted for. The policy requires departments to furnish to finance all developer related agreements and contracts. Upon receipt, finance will analyze the contract for proper accounting treatment including the specific "triggers" that must occur before the transaction is recognized. Annual closing procedures include review of all open agreements and their status.

Chapter 12-Vehicle Equipment and Replacement Fund (VERF)

Creates an internal service fund of the Town for the purpose of smoothing the budget impact of large vehicle and equipment purchases. This approach has the advantage of avoiding debt financing allowing the Town to avoid deferring maintenance during times of economic downturn and tight budgets.

Key provisions include:

- 1) All equipment and vehicle are owned by the VERF.
- 2) Using departments are charged a monthly fee that is accumulated towards replacement.
- 3) All items replaced are surrendered by the department with disposal proceeds retained by VERF.
- 4) New items due to new programs or positions must be included as part of the annual budget process and then are donated to VERF.
- 5) VERF cash balances should approximately equal (defined as +/- 10%) accumulated depreciation in the fund.

Chapter 15- Debt Management

Describes the type of debt issuance available to the Town and the circumstances in which each type of debt may be used. Preference is given to alternate financing means such as PAYGO programs or capital grants. When debt issuance is necessary, preference is given to voter-approved governmental debt vs. non-voter approved debt. For capital assets for enterprise activities, the intent is to pay all debt service from the revenues of the enterprise operation.

Debt issuance should be limited to the acquisition or construction of long-lived capital assets and never be issued to fund current operations. The maximum final maturity for governmental fund and enterprise fund debt is 20 and 30 years respectively.

For general obligation governmental debt, the debt service tax levy should never exceed 40% of the total tax levy. Total tax supported debt should also not exceed 4% of taxable assessed valuation.

It is the Town's intent that enterprise fund debt service be paid from the revenues generated from the enterprise activities. If Revenue Bonds are issued, the Town will maintain a coverage ratio of at least 1.25% of net operating revenue available for debt service to maximum annual debt service.

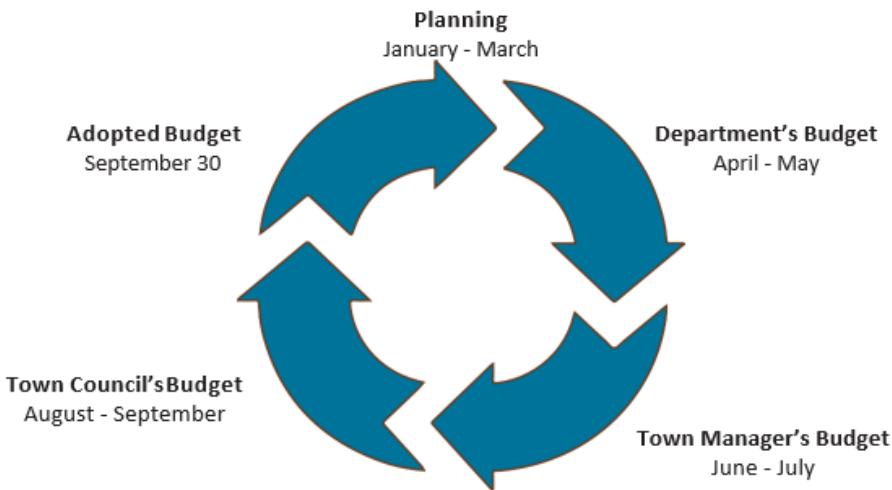
Chapter 16-Debt Post Issuance Policy

Details the process following debt issuance including tax certificates, Attorney General filing, SEC Continuing Disclosure (15C2-12), recordkeeping, use of proceeds and Arbitrage Rebate and Yield calculations.

Compliance

Staff has made every effort to comply with these policies in their entirety and it is our belief that the budget meets or exceeds all legal and policy requirements except for the Solid Waste Fund. The reserve requirement of \$250,000 will comply by the fiscal year 2026-2027. This fund was created in the fiscal year 2022-2023 and requires a few years to accumulate the reserve required by policy.

Town of Prosper Annual Budget Calendar



Budget Calendar Actions

Planning *January - March*

Department's Budget *April - May*

May 2 - Town staff completes revenue and expenditure projections through the end of the current fiscal year; prepares discretionary and non-discretionary budget requests and related forms.

May 9 - Begin compilation and discussions with Department Heads.

Town Manager's Budget *June - July*

June 24 - Strategic Planning/Budget Work Session with Town Council and Department Heads.

July 25 - Chief Appraiser certifies appraisal rolls for taxing units.

July 25 - Certification of anticipated collection rate by collector

Town Council's Budget *August - September*

August 8 - Calculation of no-new-revenue and voter-approval tax rates. 72-hour notice for meeting (Open Meetings Notice).

August 12 - Town Council meeting to discuss tax rate; if proposed tax rate will exceed the no-new-revenue tax rate or the voter-approval tax rate (whichever is lower), take record vote and schedule Public Hearings. Town Manager presents proposed budget for FY 2024-2025. Proposed budget must be posted on website from this date until adopted.

August 21 - Finance Committee reviews Proposed Budget.

August 22 - 72-hour notice for Budget Town Hall (Open Meetings Notice).

August 28 - Budget Town Hall

September 3 - "Notice of FY 2024-2025 Budget Public Hearing" notice in newspaper and on Town website published at least seven days before the Public Hearing.

September 10 - 72-Hour notice for Public Hearing at which governing body will adopt tax rate (Open Meetings Notice).

September 16 - Town Council meeting to consider passing ordinances adopting the FY 2024-2025 budget and tax rate. Public Hearing for Tax Rate. Budget must be adopted before the tax rate, and both must be record votes. Taxing unit must adopt tax rate before September 30 or 60 days after receiving certified appraisal roll, whichever is later.

September 17 - Final approved budget to be filed with Town Secretary. Submit ordinances to Collin and Denton County Tax Offices. Tax Assessor/Collector and Appraisal District notified of current year tax rates.

October 1 - New fiscal year begins and taxes are billed by the Assessor/Collector.

Basis of Accounting/Budgeting

The budgetary and accounting policies contained in the budget document conform to generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB). 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. Within the budget, the Town's various funds are grouped into the following categories of fund types:

Governmental Fund Types - Include the General Fund, Debt Service Fund, Capital Project Funds, and Special Revenue Funds. The budget is organized and operated on a modified accrual basis of accounting. A financial measurement focus is utilized here as well. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). Available revenues collected within the current period or soon thereafter are used to pay liabilities of the current period. Expenditures represent a decrease in net financial resources, and other than interest on general long-term debt, are recorded when the fund liability is incurred, if measurable. Interest on general long-term debt is recorded when due.

Proprietary Fund Types – Include the Enterprise Funds and Internal Service Funds. These are accounted and budgeted for on a cost of services or “capital maintenance” measurement focus, using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. For purposes of this budget presentation, depreciation is not displayed and capital expenditures and bond principal payments are shown as utilized by each fund.

Governmental Fund Types

Government Fund types are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in the Proprietary and Fiduciary Fund types) are accounted for through the Governmental Fund Types.

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all revenues and expenditures except for those required to be accounted for in other funds. Major functions financed by the General Fund include: Administration, Public Safety, Community Services, Financial Services, HR, IT, Library, Building and Planning, and Parks and Recreation.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources other than expendable trusts or major capital projects. The Special Revenue Funds include, but are not limited to, TIRZ #1; TIRZ #2; Crime Control and Prevention Special Purpose District; Fire Control, Prevention and Emergency Medical Services Special Purpose District; Park Dedication/Improvement Fund; Impact Fee Funds; and Special Revenue Fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds – The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital items or facilities.

Proprietary Fund Types

Enterprise Funds are used to account for operations that are either financed or operated in a manner similar to private business enterprises, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management, control, accountability, or other purposes.

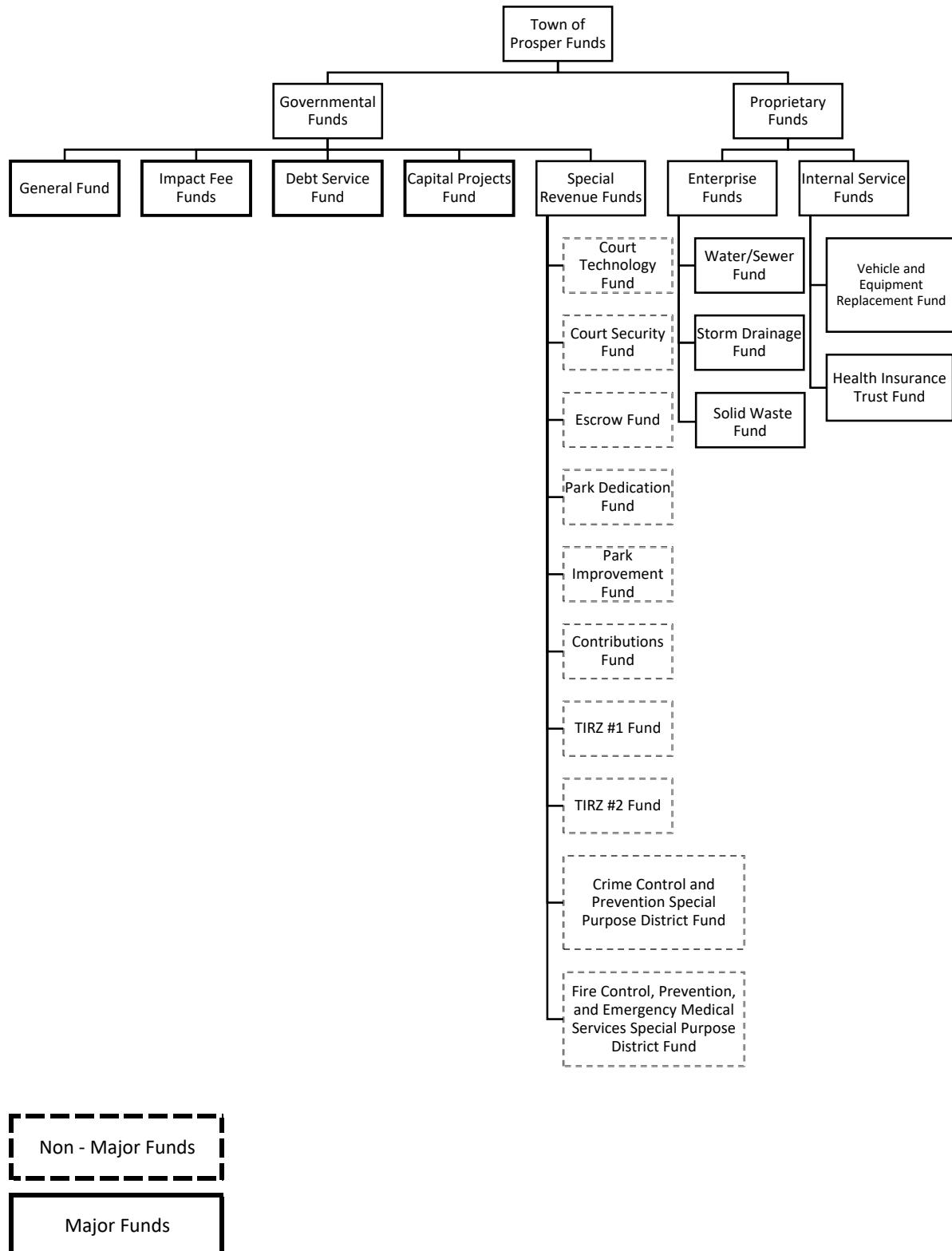
Utility Fund – This fund accounts for water and wastewater services for the residents of the Town. All activities necessary to provide such services are accounted for in the fund, including administration, operation, maintenance, financing and related debt service, and billing and collection.

Solid Waste Fund – This fund accounts for solid waste collection services for the residents of the Town. All activities necessary to provide such services are accounted for in the fund, including administration, operation, maintenance, and billing and collection.

Stormwater Utility Fund – This fund accounts for the costs associated with the implementation and ongoing administration of stormwater and drainage management needs of the Town. All activities necessary to provide such services are accounted for in the fund, including administration, operation maintenance, financing and related debt service, and billing and collection.

Internal Service Funds – The Internal Service Funds include the Health Insurance Trust Fund that accounts for the Town's self-insurance activities, and the Town's Vehicle and Equipment Replacement Fund which accounts for vehicle and equipment replacements.

Fund Overview



CONSOLIDATED FUND SUMMARY

BY YEAR

	ACTUAL 2023-2024	ADOPTED AMENDED 2024-2025	ADOPTED 2025-2026
ESTIMATED RESOURCES			
REVENUES:			
Taxes	57,467,324	64,425,928	71,849,899
Inter-governmental	239,848	14,848	1,799,663
License, Fees & Permits	12,287,884	13,491,653	15,376,821
Charges for Services	44,963,598	50,601,695	62,833,765
Fines & Warrants	651,123	545,050	783,144
Investment Income	4,885,284	2,837,833	2,253,350
Miscellaneous Revenue	2,678,720	3,129,075	1,784,629
Impact Fees	13,674,019	12,006,476	11,750,000
Subtotal-Revenues	\$ 136,847,800	\$ 147,052,558	\$ 168,431,271
OTHER RESOURCES:			
Transfers In	4,640,467	1,478,696	11,099,929
TOTAL ESTIMATED RESOURCES:	\$ 141,488,266	\$ 148,531,254	\$ 179,531,200
ESTIMATED USES			
Direct Expenditures by Function:			
General Government/Central Services	17,818,895	23,724,127	26,113,344
Public Safety	27,346,963	28,149,965	37,295,335
Community Services	7,482,892	10,454,471	9,346,688
Streets & Highways	3,504,624	4,775,945	4,292,139
Development Services	3,286,655	4,182,379	4,083,700
Utility Services	31,731,809	32,054,272	39,710,404
Engineering	2,657,992	2,541,854	2,708,971
Debt Service	21,468,543	23,759,352	28,135,730
Economic Infrastructure Development	4,270,105	6,198,660	5,965,387
Impact Fee Infrastructure Development	10,508,090	7,981,536	2,150,000
Subtotal-Expenditures	\$ 130,076,566	\$ 143,822,561	\$ 159,801,698
Transfers Out	8,563,865	12,005,734	15,854,036
TOTAL ESTIMATED USES:	\$ 138,640,431	\$ 155,828,295	\$ 175,655,734
EXCESS (DEFICIENCY)	\$ 2,847,836	\$ (7,297,041)	\$ 3,875,466
BEGINNING FUND BALANCE	\$ 69,026,803	\$ 65,201,826	\$ 56,475,293
EXCESS (DEFICIENCY)	\$ 2,847,836	\$ (7,297,041)	\$ 3,875,466
ENDING FUND BALANCE	\$ 71,874,638	\$ 57,904,784	\$ 60,350,759

CONSOLIDATED FUND SUMMARY
FISCAL YEAR 2025-2026

	GENERAL FUND	DEBT SERVICE FUND	IMPACT FEE FUNDS	UTILITY FUNDS
ESTIMATED RESOURCES				
REVENUES:				
Taxes 39,476,143 20,799,204 - - Inter-governmental 1,796,663 - - - License, Fees & Permits 12,533,821 - - 193,000 Charges for Services 2,278,693 - - 51,756,363 Fines & Warrants 581,144 - - 202,000 Investment Income 750,000 145,000 600,000 361,500 Miscellaneous Revenue 434,171 - 300,000 524,565 Impact Fees - - 10,950,000 - Subtotal-Revenues \$ 57,850,635 \$ 20,944,204 \$ 11,850,000 \$ 53,037,428				
OTHER RESOURCES:				
Transfers In 10,389,929 - - - TOTAL ESTIMATED RESOURCES: \$ 68,240,564 \$ 20,944,204 \$ 11,850,000 \$ 53,037,428				
ESTIMATED USES				
Direct Expenditures by Function:				
General Government/Central Services 13,397,308 - - 1,043,323 Public Safety 33,670,216 - - - Community Services 9,346,688 - - - Streets & Highways 4,292,139 - - - Development Services 4,083,700 - - - Utility Services - - - 39,710,404 Engineering 2,708,971 - - - Debt Service - 21,165,328 - 6,970,402 Economic Infrastructure Development - - - - Impact Fee Infrastructure Development - - - - Subtotal-Expenditures \$ 67,499,022 \$ 21,165,328 \$ - \$ 47,724,129				
Transfers Out 710,000 - 12,268,378 2,025,658 TOTAL ESTIMATED USES: \$ 68,209,022 \$ 21,165,328 \$ 12,268,378 \$ 49,749,787				
EXCESS (DEFICIENCY) \$ 31,542 \$ (221,124) \$ (418,378) \$ 3,287,641				
BEGINNING FUND BALANCE \$ 11,792,309 \$ 838,442 \$ 16,225,148 \$ 15,857,601				
EXCESS (DEFICIENCY) \$ 31,542 \$ (221,124) \$ (418,378) \$ 3,287,641				
ENDING FUND BALANCE \$ 11,823,851 \$ 617,318 \$ 15,806,770 \$ 19,145,242				

CONSOLIDATED FUND SUMMARY
FISCAL YEAR 2025-2026

	SPECIAL REVENUE FUNDS	INTERNAL SERVICE FUNDS	COMBINED FUNDS
<i>ESTIMATED RESOURCES</i>			
REVENUES:			
Taxes	11,574,552	-	71,849,899
Inter-governmental	3,000	-	1,799,663
License, Fees & Permits	2,650,000	-	15,376,821
Charges for Services	-	8,798,709	62,833,765
Fines & Warrants	-	-	783,144
Investment Income	126,850	270,000	2,253,350
Miscellaneous Revenue	75,893	450,000	1,784,629
Impact Fees	800,000	-	11,750,000
Subtotal-Revenues	\$ 15,230,295	\$ 9,518,709	\$ 168,431,271
OTHER RESOURCES:			
Transfers In	-	710,000	11,099,929
TOTAL ESTIMATED RESOURCES:	\$ 15,230,295	\$ 10,228,709	\$ 179,531,200
<i>ESTIMATED USES</i>			
Direct Expenditures by Function:			
General Government/Central Services	28,060	11,644,653	26,113,344
Public Safety	3,625,119	-	37,295,335
Community Services	-	-	9,346,688
Streets & Highways	-	-	4,292,139
Development Services	-	-	4,083,700
Utility Services	-	-	39,710,404
Engineering	-	-	2,708,971
Debt Service	-	-	28,135,730
Economic Infrastructure Development	5,965,387	-	5,965,387
Impact Fee Infrastructure Development	2,150,000	-	2,150,000
Subtotal-Expenditures	\$ 11,768,566	\$ 11,644,653	\$ 159,801,698
Transfers Out	850,000	-	15,854,036
TOTAL ESTIMATED USES:	\$ 12,618,566	\$ 11,644,653	\$ 175,655,734
EXCESS (DEFICIENCY)	\$ 2,611,729	\$ (1,415,944)	\$ 3,875,466
BEGINNING FUND BALANCE	\$ 5,969,906	\$ 5,791,887	\$ 56,475,293
EXCESS (DEFICIENCY)	\$ 2,611,729	\$ (1,415,944)	\$ 3,875,466
ENDING FUND BALANCE	\$ 8,581,635	\$ 4,375,943	\$ 60,350,759

Strategic Visioning Process

The Town Council conducted a Strategic Visioning exercise in spring of 2023 to identify a set of long-term strategic objectives that could be accomplished in a five to ten-year planning horizon, as the Town approaches build-out. The exercise yielded five Strategic Visioning Priorities. These five priorities form the basis of the Town's operations, budget priorities, and work plan.

2024 TOWN COUNCIL STRATEGIC VISIONING SUMMARY

APPROVED BY THE TOWN COUNCIL ON MAY 28, 2024



1

ACCELERATION OF INFRASTRUCTURE

- Work with the Capital Improvement Subcommittee to identify gaps in the Town's infrastructure and ensure that it meets the demands of a growing community
- Utilize all available financial methods (Bonds, Certificates of Obligation, Capital Dedicated Fund, Grants, etc.) to fund projects.
- Work with the Capital Improvement Subcommittee to plan for a future bond program and/or pay-as-you-go program.



2

DEVELOPMENT OF DOWNTOWN PROSPER AS A DESTINATION

- Collaborate with the Downtown Business Alliance, Community Engagement Committee, Downtown Committee, and 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.



3

ENSURE THE TOWN'S COMMERCIAL CORRIDORS ARE READY FOR DEVELOPMENT

- Ensure US 380 and Dallas North Tollway are primed and ready for development.
- Develop long-term strategies for land use, landscaping, lighting, and traffic.
- Leverage partnerships with TxDOT, NTTA and private development.
- Prioritize infrastructure to meet demand, using incentives when appropriate.



4

CONTINUE TO 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 provide the financial resources necessary to support these goals.
- Provide a welcoming and respectful environment for residents, visitors, and Town employees.

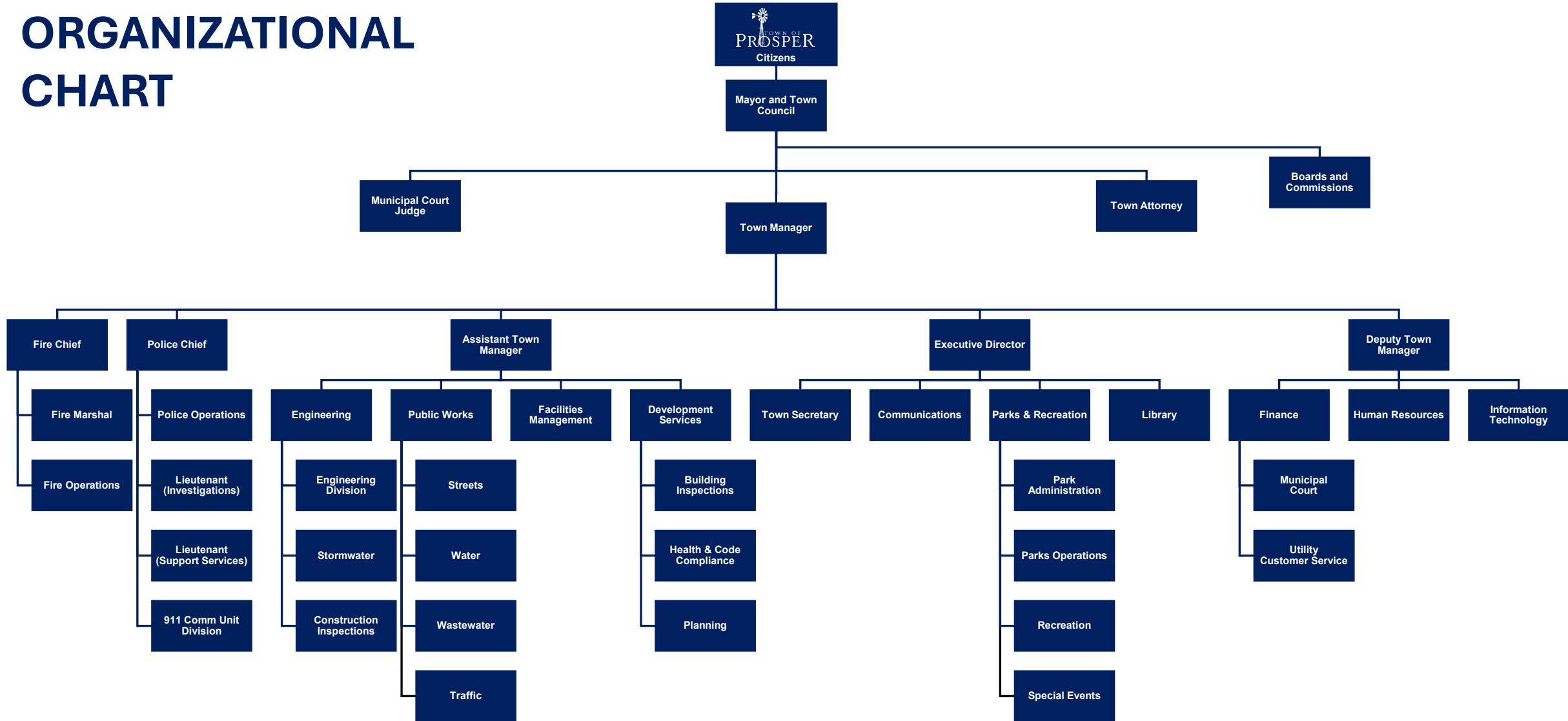


5

WORK TOWARDS A GROWING AND DIVERSIFIED TAX BASE

- Collaborate with Prosper EDC and be adaptable to changing market conditions.
- Place an emphasis on corporate, medical, and life-sciences sectors.
- Utilize metrics to create resiliency strategies against market changes.

ORGANIZATIONAL CHART



Authorized Positions

GENERAL FUND	ACTUAL 2023-2024	ADOPTED 2024-2025	REVISED 2024-2025	CHANGES 2025-2026	ADOPTED 2025-2026
Town Manager	2.00	5.00	5.00	-	5.00
Town Secretary	3.00	3.00	3.00	-	3.00
Finance	11.50	12.50	12.50	(0.50)	12.00
Human Resources	4.75	4.75	4.75	-	4.75
Information Technology	11.50	11.50	11.50	0.50	12.00
Communications & Community Engagement	5.50	5.00	5.00	-	5.00
Municipal Court	3.50	4.50	4.50	-	4.50
Police Operations	41.00	46.00	46.00	36.00	82.00
9-1-1 Communications	17.00	17.00	17.00	-	17.00
Fire Operations	50.00	44.00	44.00	41.00	85.00
Fire Marshal	4.00	5.00	5.00	-	5.00
Inspections	20.00	20.00	20.00	-	20.00
Code Compliance	5.00	5.00	5.00	-	5.00
Planning	7.00	7.00	7.00	-	7.00
Streets	11.00	13.00	13.00	2.00	15.00
Facilities	4.00	5.00	5.00	-	5.00
Parks	41.00	43.00	43.00	2.00	45.00
Library	9.50	10.00	10.00	1.00	11.00
Engineering	16.50	16.50	16.50	-	16.50
Total General Fund	267.75	277.75	277.75	82.00	359.75
Crime Control	27.00	30.00	30.00	(30.00)	-
Fire Control	26.00	32.00	32.00	(32.00)	-
Water & Wastewater	62.00	65.00	65.00	2.00	67.00
Solid Waste	1.00	1.00	1.00	-	1.00
Stormwater Drainage	4.00	5.00	5.00	1.00	6.00
Total Town of Prosper Employees, All Funds	387.75	410.75	410.75	23.00	433.75

All positions are shown as full-time equivalents. (FTE)

Revised 2024-2025

No positions were moved between departments

Adopted 2025-2026

Finance - Transfer Fleet Coordinator 1.0 FTE from Finance to Streets; Transfer Admin. Assistant 0.5 FTE from Finance to Information Technology; Add Financial Services Specialist 1.0 FTE

Police - Transfer 30 FTE from Crime Control to General Fund; Add 4.0 FTE Police Officers; Add 1.0 FTE MVCRA Sworn position; Add 1.0 FTE Crime Analyst

Fire - Transfer 32 FTE from Fire Control to General Fund; Add 9.0 FTE Firefighter/Paramedic

Streets - Transfer 1.0 FTE Fleet Coordinator from Finance; Add 1.0 FTE Traffic Signal Technician

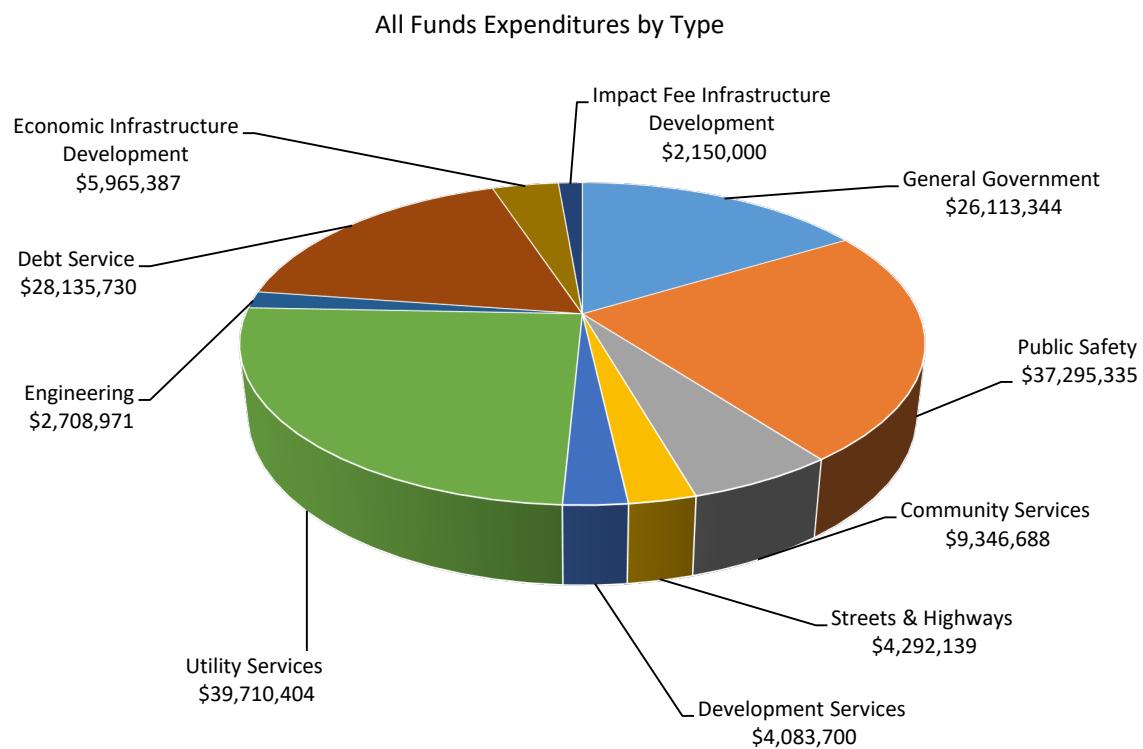
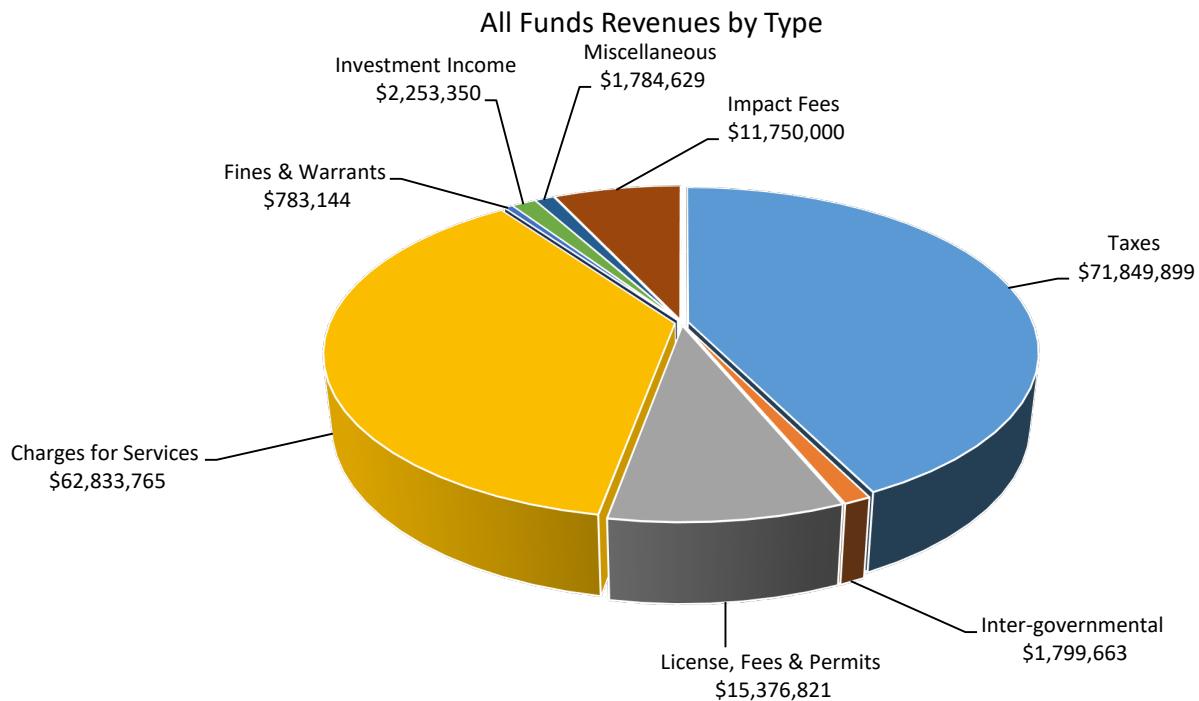
Parks - Add 1.0 FTE, Irrigation Technician; Add 1.0 FTE, Chemical Technician

Library - Add 1.0 FTE, Circulation Supervisor

Water & Wastewater - Add 1.0 FTE Water System Technicians/SCADA; Add 1.0 FTE Utility Compliance Superintendent

Stormwater Drainage - Add 1.0 FTE Heavy Equipment Operator

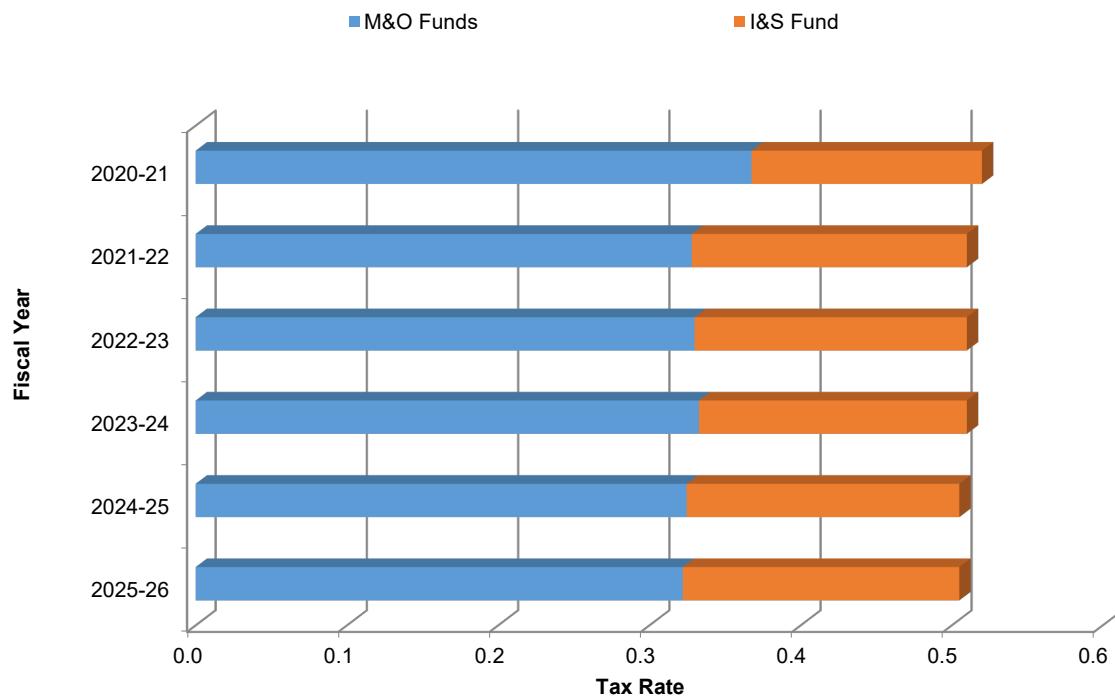
Combined Graphs



Property Tax Rate Distribution
M & O and I & S Funds

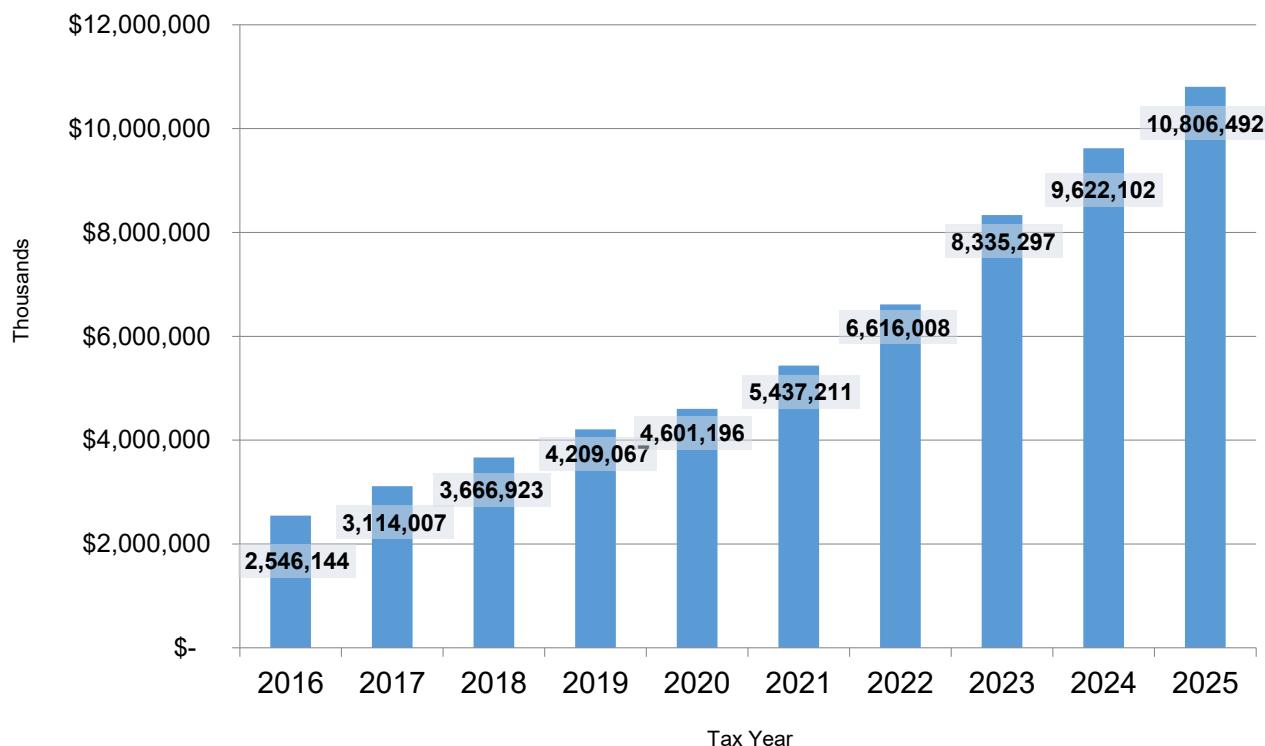
Fiscal Year	M&O Funds	I&S Fund	Total	M&O Percentage	I&S Percentage
2020-21	0.367500	0.152500	0.520000	71%	29%
2021-22	0.328000	0.182000	0.510000	64%	36%
2022-23	0.329830	0.180170	0.510000	65%	35%
2023-24	0.332742	0.177258	0.510000	65%	35%
2024-25	0.324608	0.180392	0.505000	64%	36%
2025-26	0.322054	0.182946	0.505000	64%	36%

Tax Rate Distribution



Property Valuations & Ad Valorem Taxes General and I & S Funds

Certified Assessed Valuation



Source: Collin CAD and Denton CAD Certified Totals Tax Years 2016-2025

Certified Taxable Value (excluding freeze values) Increased 12.3%

New Construction Totaled \$758,780,238

Ad Valorem Taxes

Total Freeze Adjusted Taxable Value	\$	10,806,491,907
Times	Adopted Tax Rate (Per \$100)	0.505
Times	Anticipated Tax Collections	100%
Plus	Actual Tax on Freeze	\$4,140,847
TOTAL TAX LEVY		\$58,713,631

One Penny on the Tax Rate \$1,080,649

Tax Levy Analysis

Market value:

Real property:	
Land	\$ 5,654,778,748
Improvements	10,348,339,370
Business personal property	425,824,381
	<hr/>
	16,428,942,499

Less property exemptions:

Type	
Homestead Exemption	(1,580,579,741)
Over 65	(16,524,800)
Disabled	(225,000)
Disabled veterans	(227,210,929)
Totally exempt	(1,570,653,716)
Productivity Loss	(1,104,564,816)
Freeport	(703,499)
Leased vehicles	(57,717,943)
HS capped value	(603,821,663)
Non-HS capped value	(44,871,243)
Other exemptions	(994,563)
	<hr/>
	(5,207,867,913)

Certified Assesed Valuation 11,221,074,586

Property Under Protest 637,303,877

Freeze Market Value (1,051,886,556)

Net Taxable Value 10,806,491,907

Total Estimated Taxable Value 10,806,491,907

Rate per \$100.00 0.505000

Total Tax Levy 54,572,784

Estimated Percent Collection 100%

Estimated Current Tax Collection 54,572,784

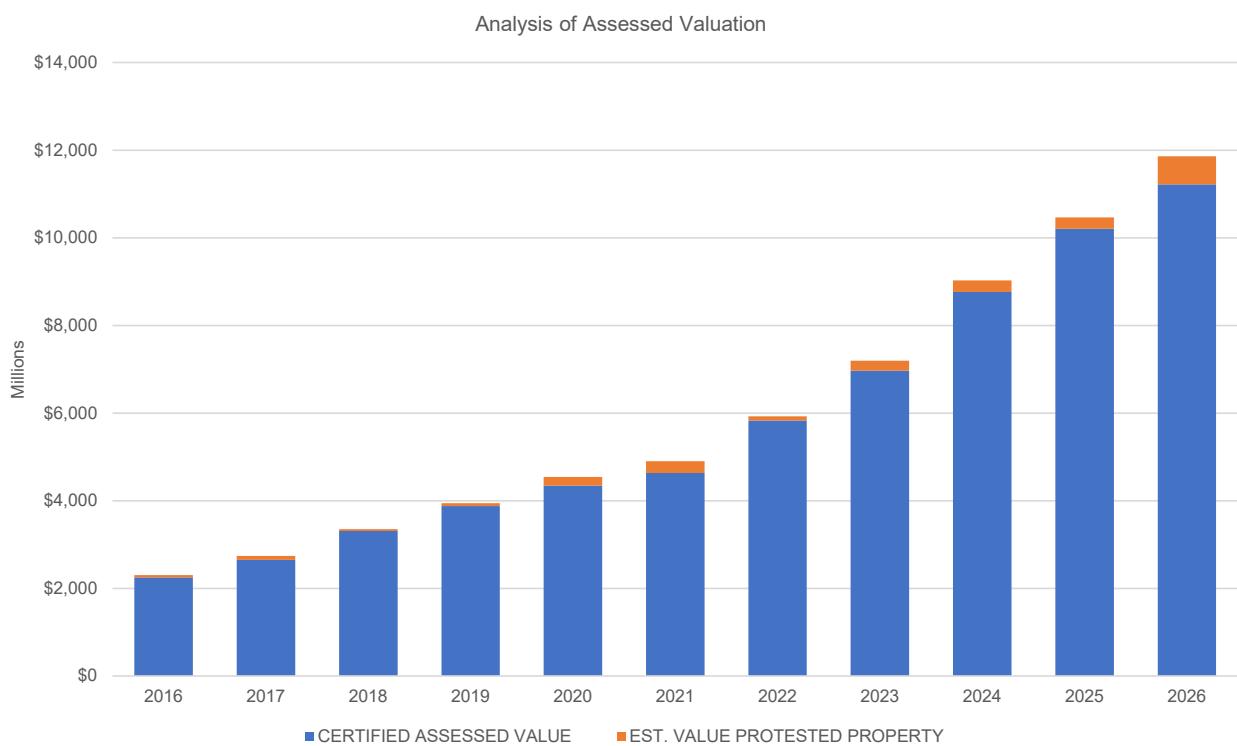
Estimated Freeze Tax Collection 4,140,847

Estimated Total Tax Collection 58,713,631

Fund	Percent	Rate	Amount
Debt Service	36.23%	0.182946	19,770,045
General Fund	41.73%	0.210713	22,770,696
TIRZ	2.80%	0.014141	1,528,133
Capital Dedicated	19.25%	0.097200	10,503,910
TOTAL	100%	0.505000	54,572,784
Debt Service Freeze			1,924,384
General Fund Freeze			2,216,463
TOTAL FREEZE			4,140,847

Analysis of Assessed Valuation

FISCAL YEAR	CERTIFIED ASSESSED VALUE	EST. VALUE PROTESTED PROPERTY	FREEZE MARKET VALUE	TOTAL	% CHANGE IN VALUE	TAX RATE	TAX REDUCTION
2016	2,251,503,609	51,445,331	(173,637,822)	2,129,311,118	21.45%	\$ 0.52	\$ -
2017	2,647,375,470	95,133,943	(196,365,692)	2,546,143,721	19.58%	\$ 0.52	\$ -
2018	3,310,573,869	37,521,811	(234,088,457)	3,114,007,223	22.30%	\$ 0.52	\$ -
2019	3,875,459,512	67,288,252	(275,824,991)	3,666,922,773	17.76%	\$ 0.52	\$ -
2020	4,345,431,730	198,730,513	(335,094,744)	4,209,067,499	14.78%	\$ 0.52	\$ -
2021	4,631,235,138	272,443,697	(302,482,534)	4,601,196,301	9.32%	\$ 0.52	\$ -
2022	5,829,301,102	97,937,130	(490,027,668)	5,437,210,564	18.17%	\$ 0.51	\$ (0.01)
2023	6,966,662,893	227,376,068	(578,031,097)	6,616,007,864	21.68%	\$ 0.51	\$ -
2024	8,762,965,980	266,856,267	(694,525,568)	8,335,296,679	25.99%	\$ 0.51	\$ -
2025	10,207,870,571	256,534,035	(842,303,011)	9,622,101,595	15.44%	\$ 0.505	\$ (0.005)
2026	11,221,074,586	637,303,877	(1,051,886,556)	10,806,491,907	12.31%	\$ 0.505	\$ -

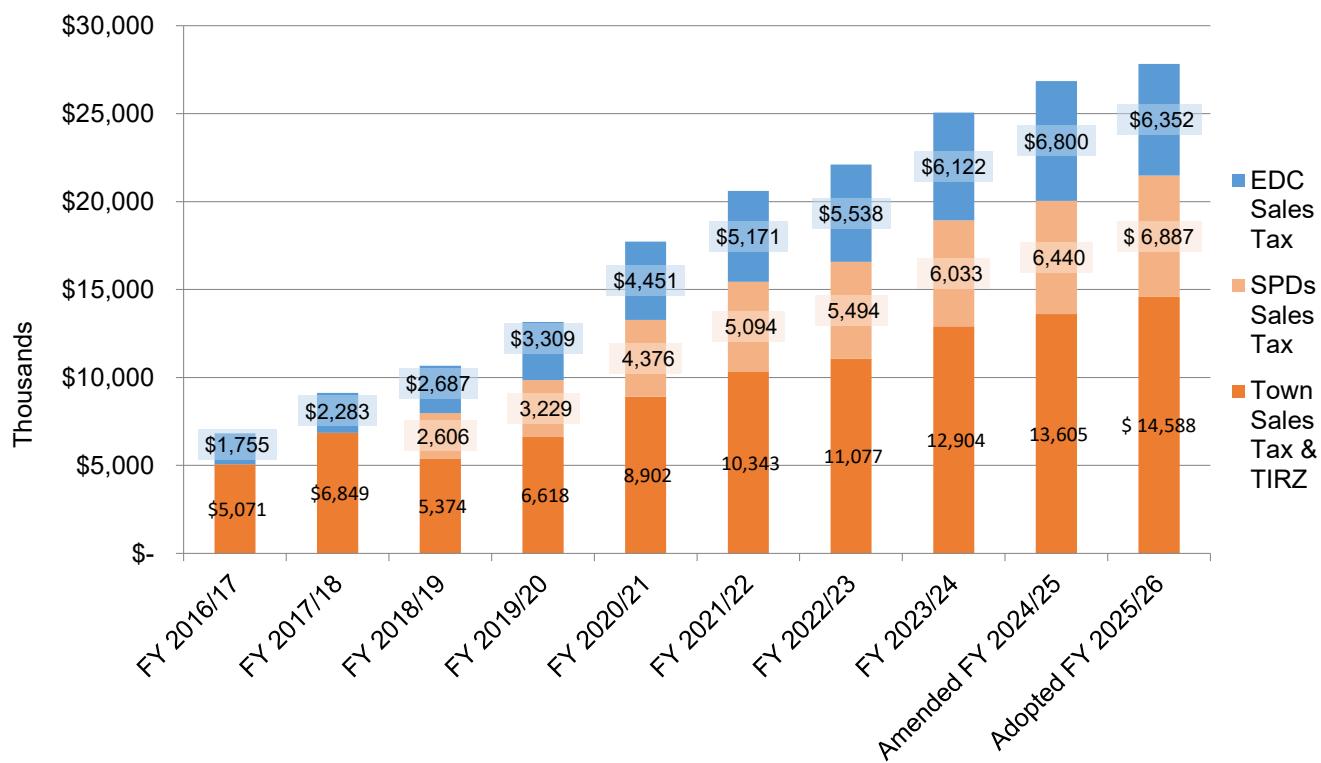


Taxable Values by Type

Generally, the higher the percentage of commercial and business personal property (BPP) in a government's tax base, the lower the property tax rate. This is due to residents requiring a higher level of service than their property tax typically provides. Tracking changes in tax values by type over time also shows shifts in tax burdens between categories of taxpayers.

	FY2016		FY2025		FY2026		FY 25 to FY 26 Change	% Change
	Total	% of Total	Total	% of Total	Total	% of Total		
REAL: RESIDENTIAL SINGLE FAMILY, MOBILE HOMES	\$ 2,252,964,757	62.14%	\$ 7,273,419,436	75.59%	\$ 8,536,895,138	79.00%	\$ 1,263,475,702	17.37%
REAL: COMMERCIAL, INDUSTRIAL AND OTHER	\$ 1,303,002,596	35.94%	\$ 2,092,674,698	21.75%	\$ 1,991,160,837	18.43%	\$ (101,513,861)	-4.85%
BPP: COMMERCIAL AND INDUSTRIAL	\$ 69,951,283	1.93%	\$ 256,007,461	2.66%	\$ 278,435,932	2.58%	\$ 22,428,471	8.76%
GRAND TOTALS	\$ 3,625,918,636	100.00%	\$ 9,622,101,595	100.00%	\$ 10,806,491,907	100.00%	\$ 1,184,390,312	12.31%
TAX RATE	\$ 0.520000		\$ 0.505000		\$ 0.505000		\$ -	0.00%
AVERAGE HOMESTEAD MARKET VALUE	\$ 445,813		\$ 896,891		\$ 916,840		\$ 19,949	2.22%
AVERAGE HOMESTEAD TAXABLE VALUE	\$ 403,971		\$ 642,906		\$ 696,676		\$ 53,770	8.36%
AVERAGE HOMESTEAD TAX BILL	\$ 2,101		\$ 3,247		\$ 3,518		\$ 272	8.36%
TAX BILL PER \$100,000 MARKET VALUE OF HOMESTEAD	\$ 520		\$ 417		\$ 417		\$ -	0.00%

Sales Taxes
General, Special Purpose Districts, and EDC Funds



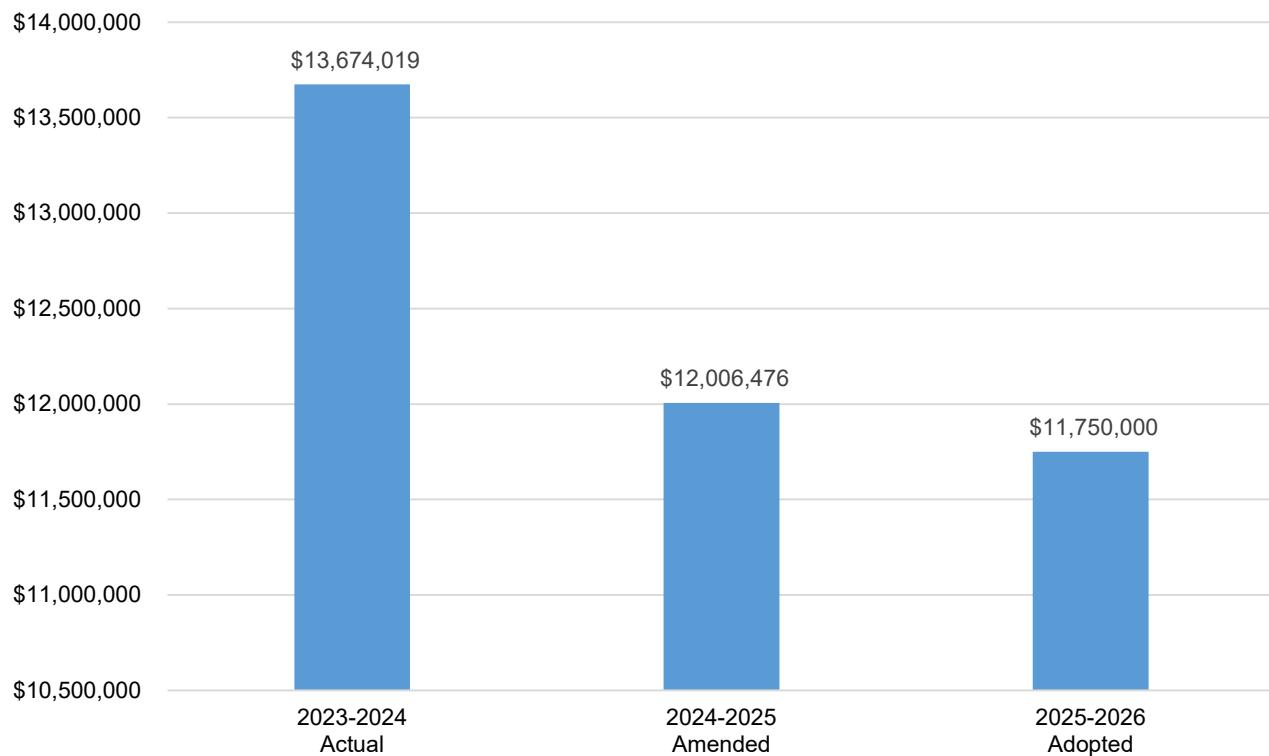
Source: The Texas State Comptrollers Website

Notes: The Town held an election May, 2018 to create two Special Purpose Districts for Crime and Fire that are supported by a quarter of a percent of sales tax collected in the Town. The initial approval was for five years. In May of 2023, voters approved a twenty year extention on the Special Purpose Districts.

Sales taxes contribute approximately 25.1% of General Fund revenues and are the second largest source of revenue for the General Fund budget. The Town examines the market conditions in Prosper and the Metroplex in budgeting sales tax conservatively year to year.

The Town's three major categories (Retail trade, General Services, and Food) make up approximately 79% of the Town's sales tax collections.

Impact Fee Revenues Impact Fee Funds

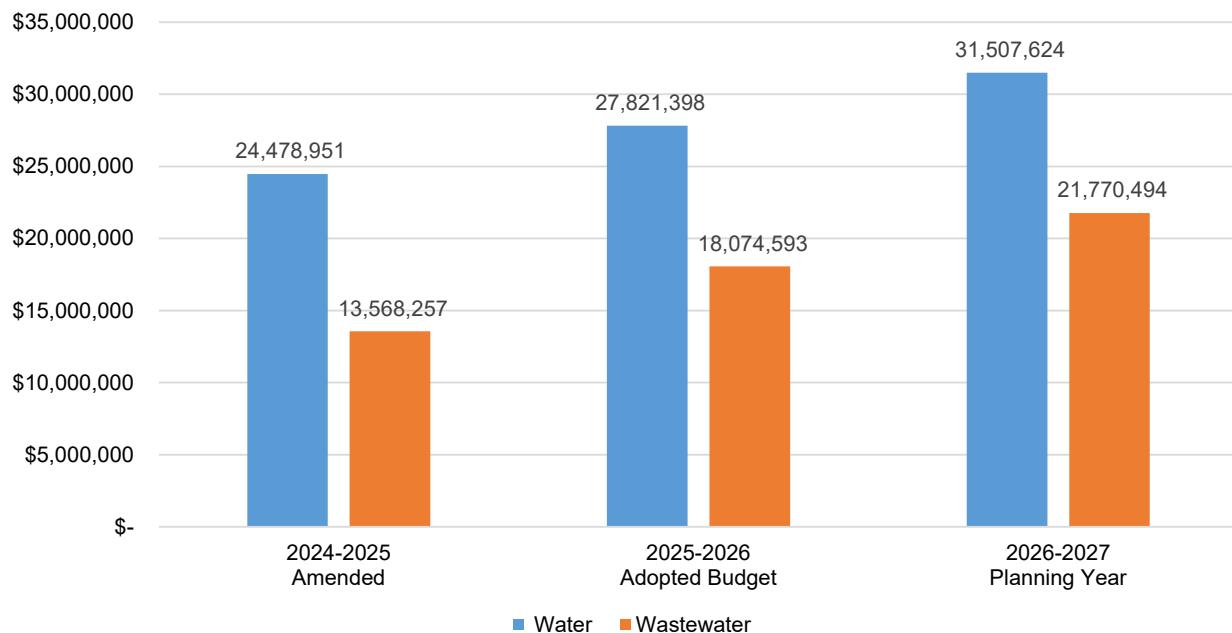


Town of Prosper's Code of Ordinances, Section 10.02.001 purpose of impact fees is to assure the provision of adequate public facilities to serve new development in the Town by requiring each such development to pay its share of the costs of such improvements by and attributable to such new development. The budget reflects a conservative revenue forecast for impact fees based on growth that is taking place, but not at the rate reflected in previous years.

Texas Local Government Code Chapter 395 requires an impact fee analysis before impact fees are set. Chapter 395 requires that land use assumptions and capital improvement plans be updated at least every five years, and the Town of Prosper last completed an impact fee analysis in 2017. In 2023, the Town began an updated Impact Fee Study and the analysis is currently being performed. During FY 2016-2017, Council adopted land use assumptions and a capital improvements plan establishing impact fees for water, wastewater, and roadways by amending Article, 10.02 "Capital Improvements and Impact

Water and Wastewater Revenues

Water & Sewer Fund



The Council has approved increases in water and wastewater rates starting in Fiscal Year 2024-2025, marking the first rise for Town customers since 2020. Water rates for Fiscal Year 2024-2025 are projected to go up by 6.35%, even as water costs have surged by 13.8%. Wastewater rates are expected to increase by 16% to address an 11.8% rise in treatment costs and to expand wastewater treatment capacity by an additional three million gallons per day, which is essential for supporting the Town's projected growth. Town staff, in collaboration with a professional rate consultant, review these rates annually. The Town is also investing in water system technology and a meter replacement program to better manage costs and will continue monitoring rates to maintain adequate fund balance reserves.

Ten Largest Water Customers

Customer	Type of Business	Consumption (gallons)	% of Total Usage
Windsong Ranch Community Assoc.	Homeowners Association	38,845,509	1.43%
Gates of Prosper	Shopping Center	22,025,100	0.81%
Prosper Independent School District	School District	21,820,450	0.80%
Town of Prosper	Government	15,559,300	0.57%
SiteOne Landscape Supply	Multi-Family Housing	14,217,500	0.52%
Super Splash LLC	Car Wash	11,973,600	0.44%
Gentle Creek Homeowners Assoc.	Homeowners Association	11,170,790	0.41%
Cook Children's Hospital	Medical	9,220,740	0.34%
Lattimore Materials	Ready-Mix Concrete Mfg	7,952,030	0.29%
Ladera Prosper Condos	Multi-Family Housing	7,839,700	0.29%



GENERAL FUND

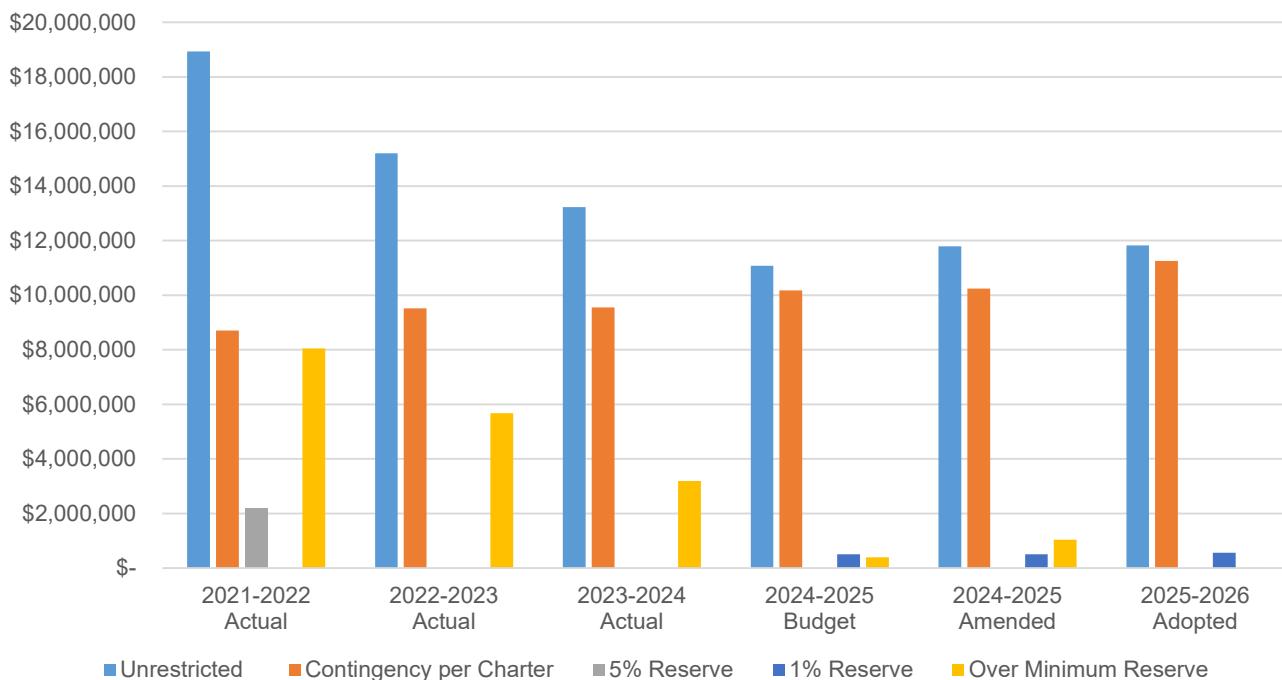


General Fund Description

The General Fund is the operating fund of the Town. The General Fund receives and accounts for all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other designated fund. The General Fund includes a greater variety and amount of revenues, and finances a wider range of governmental activities than any other fund. The primary revenue sources for the General Fund are property taxes, sales taxes, franchise fees, license and permit fees, fines and warrants, and miscellaneous general revenues.

The General Fund accounts for general purpose expenditures for most government functions. Operations in the General Fund provide basic services such as Administration, Police Services, Fire Services, Public Works, Community Services, Development Services, and Engineering. Included for each operational area is an organizational chart, program description, goals and objectives, personnel summary, and an expenditure summary.

General Fund Fund Balance

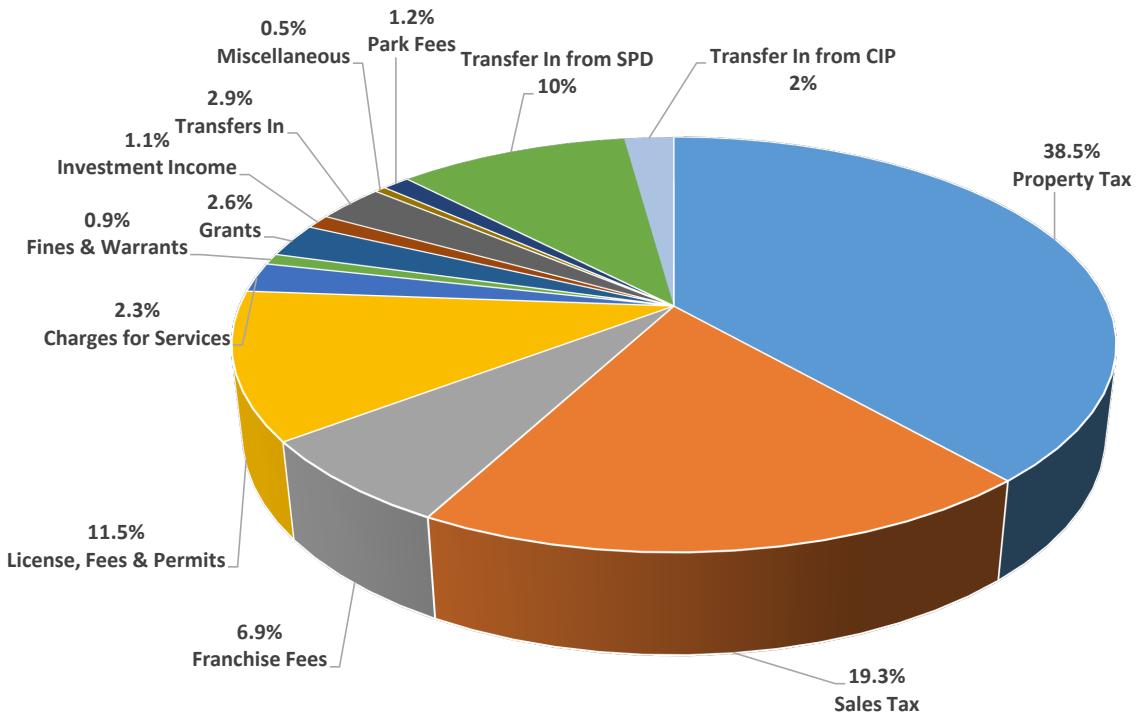


Fiscal Year	Days Over Minimum Reserve	Value of Each Day
2020-2021	121	\$ 95,839
2021-2022	67	\$ 120,830
2022-2023	38	\$ 150,837
2023-2024	3	\$ 138,237
2024-2025	7	\$ 142,242
2025-2026	0	\$ 179,606

The Town Charter proposes a legal restriction on a Contingent Reserve of the General Fund in the amount of twenty percent (20%). It is the goal of the Town to achieve and maintain an unassigned fund balance in the General Fund equal to five percent (5%) of budgeted expenditures for unanticipated expenditures, unforeseen revenue fluctuations, or other adverse circumstances. This percent was revised to one percent (1%) for FY 2022-2023 and future years. This amount is in addition to the twenty percent (20%) restricted fund balance amount required by the Town Charter. In FY 2021-2022, Council approved one-time capital expenditures by utilizing a strong unrestricted fund balance. This helped fund roads and equipment versus issuing debt, while still maintaining the required reserves per charter and policy.

General Fund Revenues
By Source

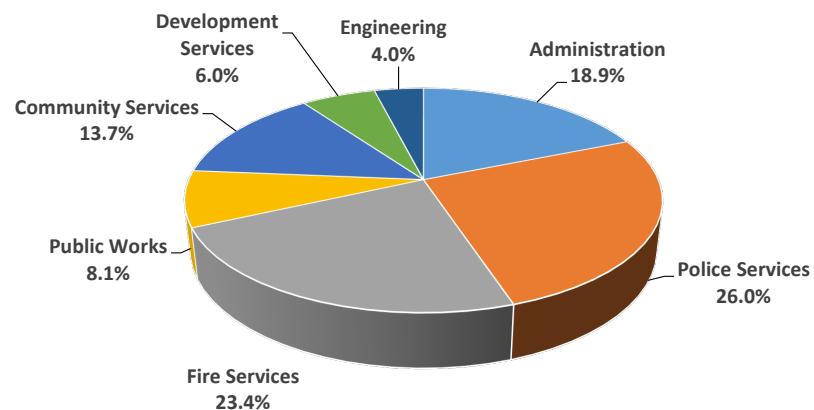
Revenue Category	FY 2026 Adopted	% of Total
Property Tax	26,277,088	38.5%
Sales Tax	13,199,055	19.3%
Franchise Fees	4,685,174	6.9%
License, Fees & Permits	7,834,247	11.5%
Charges for Services	1,577,152	2.3%
Fines & Warrants	581,144	0.9%
Grants	1,796,663	2.6%
Investment Income	750,000	1.1%
Transfers In	2,025,658	2.9%
Miscellaneous	332,071	0.5%
Park Fees	818,041	1.2%
Transfer In from SPD	6,885,055	10.1%
Transfer In from CIP	1,479,216	2.2%
Revenue Total	\$ 68,240,564	100.0%



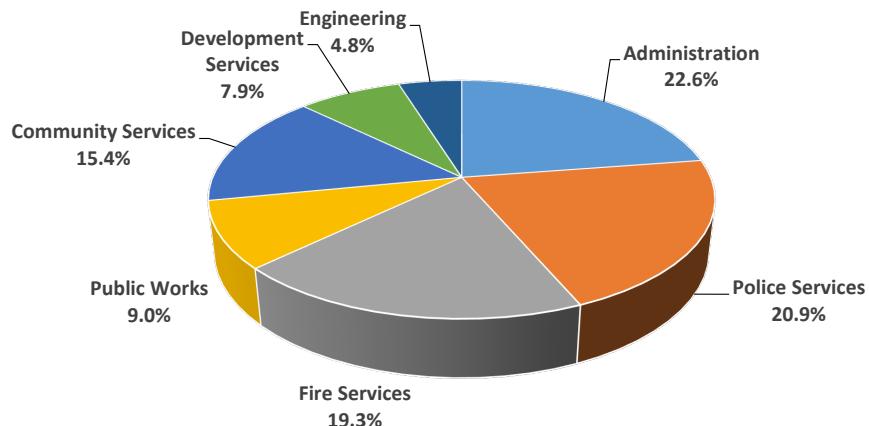
General Fund Appropriations By Department

Department	FY 2026 Adopted	% of Total
Administration	12,887,072	18.9%
Police Services	17,724,406	26.0%
Fire Services	15,945,810	23.4%
Public Works	5,512,375	8.1%
Community Services	9,346,688	13.7%
Development Services	4,083,700	6.0%
Engineering	2,708,971	4.0%
Expense Total	\$ 68,209,022	100.0%

FY 2026 Adopted - \$68,209,022



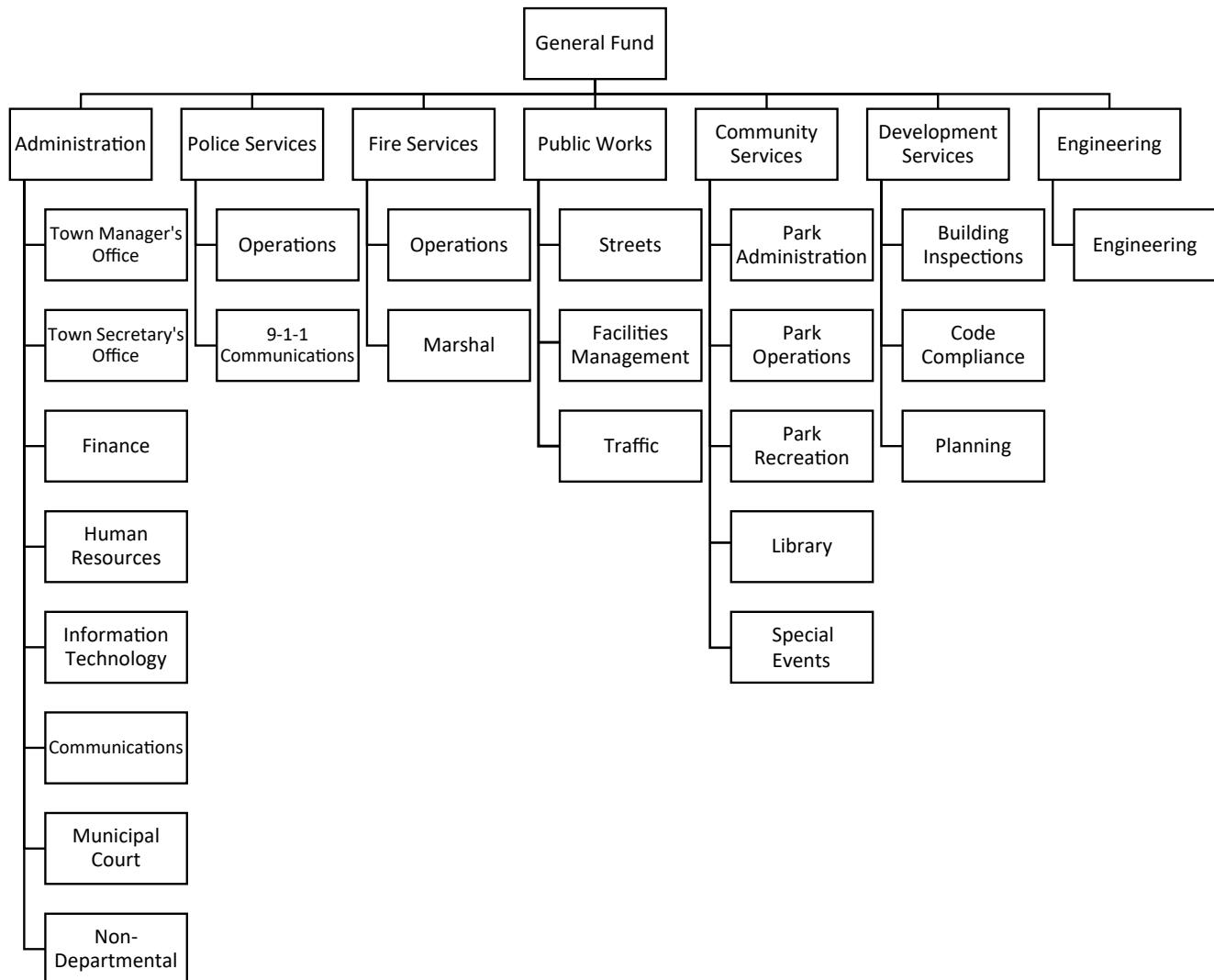
FY 2025 Amended - \$52,825,545



General Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	PROPOSED AMENDED 2024-2025	PROPOSED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030							
RECURRING REVENUES																
Property Tax		20,579,403	23,332,018	23,370,581	26,277,088	28,724,723	31,239,489	33,711,953	35,856,445							
Sales Tax		11,251,905	12,903,535	12,308,897	13,199,055	13,596,893	14,277,251	14,991,758	15,742,134							
Franchise Fees		3,623,599	3,334,932	3,614,869	4,685,174	4,843,880	5,016,580	5,206,544	5,385,485							
License, Fees & Permits		6,304,399	5,990,720	6,020,241	7,834,247	7,868,245	7,903,264	7,939,332	7,973,753							
Charges for Services		1,558,705	1,342,524	1,608,835	1,577,152	1,577,841	1,578,547	1,579,209	1,579,209							
Fines & Warrants		422,745	352,050	545,050	581,144	581,144	581,144	581,144	581,144							
Investment Income		991,413	950,000	800,000	750,000	750,000	750,000	750,000	750,000							
Transfers In		1,297,102	1,478,696	1,478,696	2,025,658	2,025,658	2,025,658	2,025,658	2,025,658							
Miscellaneous		905,691	747,183	839,860	329,071	279,071	279,071	279,071	279,071							
Park Fees		859,583	761,300	789,038	818,041	818,041	818,041	728,041	728,041							
Transfer In from SPD		-	-	-	6,885,055	7,098,148	7,453,145	7,825,892	8,217,277							
Transfer In from CIP		-	-	-	1,479,216	1,479,216	1,479,216	1,479,216	1,479,216							
TOTAL RECURRING REVENUES	\$	47,794,545	\$	51,192,958	\$	51,376,067	\$	66,440,901	\$	68,163,644	\$	71,922,190	\$	75,618,602	\$	79,118,217
RECURRING EXPENDITURES																
Administration		10,311,244	10,506,487	11,514,189	12,131,498	12,825,794	13,076,491	13,339,392	13,583,640							
Police Services		9,440,359	10,779,230	10,638,811	12,258,606	12,831,405	13,069,458	13,315,706	13,542,006							
Police SPD Personnel		-	-	-	3,364,036	3,532,238	3,708,850	3,894,292	4,089,007							
Fire Services		10,282,824	10,236,399	10,051,593	12,424,504	12,780,293	12,994,075	13,119,067	13,338,444							
Fire SPD Personnel		-	-	-	3,397,819	3,567,710	3,746,095	3,933,400	4,130,070							
Public Works		4,475,308	4,994,174	4,661,243	5,497,866	5,606,156	5,678,496	5,752,012	5,827,787							
Community Services		7,327,870	8,003,896	7,962,680	8,822,050	9,075,194	9,223,420	9,084,820	9,246,369							
Development Services		3,286,655	3,795,129	3,857,537	4,072,427	4,184,942	4,290,069	4,398,284	4,512,392							
Engineering		2,657,992	2,552,112	2,521,168	2,689,307	2,773,118	2,852,381	2,934,020	3,018,110							
New Police Positions		-	-	-	-	898,600	905,480	1,183,613	1,124,793							
New Fire Positions		-	-	-	-	470,375	700,894	146,555	1,108,245							
All other Town Departments New Positions		-	-	-	-	938,176	939,182	1,195,287	793,119							
TOTAL RECURRING EXPENDITURES	\$	47,782,252	\$	50,867,427	\$	51,207,221	\$	64,658,113	\$	69,484,001	\$	71,184,891	\$	72,296,448	\$	74,313,982
NET RECURRING FUNDS	\$	12,293	\$	325,531	\$	168,846	\$	1,782,788	\$	(1,320,357)	\$	737,299	\$	3,322,154	\$	4,804,235
NON-RECURRING "ONE-TIME" REVENUES																
Grants		-	-	14,848	-	14,848	-	1,796,663	-	-	-	-	-	-	-	-
Miscellaneous		-	-	-	-	3,000	-	-	-	-	-	-	-	-	-	-
TOTAL NON-RECURRING "ONE-TIME" REVENUES	\$	-	\$	14,848	\$	14,848	\$	1,799,663	\$	-	\$	-	\$	-	\$	-
NON-RECURRING "ONE-TIME" EXPENDITURES																
One-Time Expenditures*		1,983,223	1,952,201	1,618,324	3,550,909	1,700,000	1,700,000	1,700,000	1,700,000							
TOTAL NON-RECURRING "ONE-TIME" EXPENDITURES	\$	1,983,223	\$	1,952,201	\$	1,618,324	\$	3,550,909	\$	1,700,000	\$	1,700,000	\$	1,700,000	\$	1,700,000
NET NON-RECURRING "ONE-TIME" FUNDS	\$	(1,983,223)	\$	(1,937,353)	\$	(1,603,476)	\$	(1,751,246)	\$	(1,700,000)	\$	(1,700,000)	\$	(1,700,000)	\$	(1,700,000)
NET CHANGE IN FUND BALANCE	\$	(1,970,930)	\$	(1,611,822)	\$	(1,434,630)	\$	31,542	\$	(3,020,357)	\$	(962,701)	\$	1,622,154	\$	3,104,235
BEGINNING FUND BALANCE	\$	15,197,869	\$	12,689,509	\$	13,226,939	\$	11,792,309	\$	11,823,851	\$	8,803,494	\$	7,840,793	\$	9,462,947
ENDING FUND BALANCE	\$	13,226,939	\$	11,077,687	\$	11,792,309	\$	11,823,851	\$	8,803,494	\$	7,840,793	\$	9,462,947	\$	12,567,182
BALANCE OF UNRESTRICTED FUNDS	\$	13,226,939	\$	11,077,687	\$	11,792,309	\$	11,823,851	\$	8,803,494	\$	7,840,793	\$	9,462,947	\$	12,567,182
Less: Contingency per Charter		9,556,450	10,173,485	10,241,444	11,258,768	12,477,171	12,746,349	12,894,111	13,219,341							
1% Reserve		477,823	508,674	512,072	562,938	623,859	637,317	644,706	660,967							
AMOUNT OVER (UNDER) MINIMUM RESERVE TARGET	\$	3,192,666	\$	395,527	\$	1,038,792	\$	2,144	\$	(4,297,535)	\$	(5,542,875)	\$	(4,075,872)	\$	(1,313,129)
% AMOUNT OVER MINIMUM RESERVE TARGET		0.064154237		1%		2%		0%		-6%		-8%		-6%		-2%
AMOUNT OVER (UNDER) IN DAYS OPERATING COST		23		3		7		0		(22)		(28)		(20)		(6)

General Fund Overview



TOWN OF PROSPER

DEPARTMENT:

Administration

DIVISION:

Town Manager's Office

PROGRAM DESCRIPTION

The Town Manager's Office oversees all community functions and services by providing leadership and direction to the Town's various departments. The Town Manager provides administrative guidance to the Town Council and is responsible for managing all the affairs of the Town, except where otherwise specified in the Town Charter. The Town Manager and Executive Team act as key liaisons among the Town Council, residents, and staff to:

- Deliver excellence in municipal services to our community
- Effectively communicate and implement Town Council priorities and objectives
- Foster a strong, vibrant, and sustainable future for Prosper

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Collaborate with the Capital Improvement Subcommittee to ensure that public infrastructure is strategically planned and constructed to meet the needs of Prosper's growing population. Leverage all available financial tools to fund critical capital projects - (SVP 1)
- Foster the continued growth and vibrancy of Downtown Prosper by partnering with local business owners, the Citizen Engagement Committee, and the Prosper Economic Development Corporation (EDC) to enhance its appeal as a community gathering place and visitor destination - (SVP 2)
- Proactively position Prosper's main commercial corridors—U.S. Highway 380 and the Dallas North Tollway (DNT)—for high-quality development through thoughtful planning, infrastructure readiness, and strategic engagement with stakeholders - (SVP 3)
- Commit to being a high-performing organization by continuously improving service delivery. Foster a culture of excellence that welcomes residents, visitors, and employees, and provides the tools, resources, and support needed to achieve outstanding municipal outcomes - (SVP 4)
- Explore innovative strategies to support a growing and diversified tax base, ensuring the Town's long-term fiscal sustainability and continued delivery of high-quality municipal services for Prosper residents - (SVP 5)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL 2023-2024	REVISED 2024-2025	BUDGET 2025-2026
Commercial taxable value as a percentage of total taxable value	20.9%	21.5%	22.5%
Percentage change in taxable commercial property values	18.1%	18.0%	16.2%

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL 2023-2024	REVISED 2024-2025	BUDGET 2025-2026
Certified Tax Roll - percentage change from prior year	26.0%	14.3%	12.3%
New property value as a percentage of taxable value growth	51.7%	68.3%	64.1%

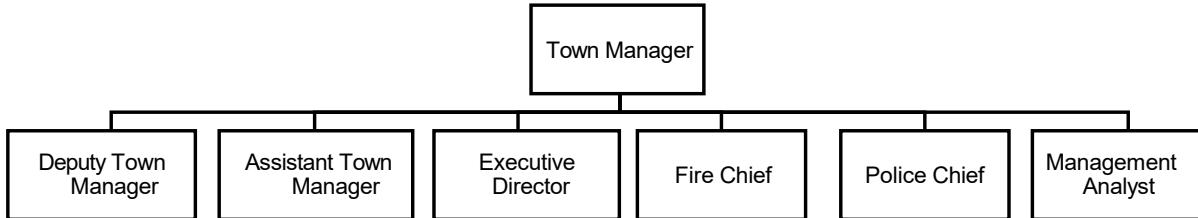
TOWN OF PROSPER

DEPARTMENT:
Administration

DIVISION:
Town Manager's Office

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	644,789	1,343,820	1,297,908
Operations	151,036	165,168	195,897
VERF Charges for Services	66	300	-
TOTAL	795,891	1,509,288	1,493,805

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Assistant Town Manager	-	1.00	1.00
Deputy Town Manager	1.00	1.00	1.00
Executive Director	-	1.00	1.00
Management Analyst	-	1.00	1.00
Town Manager	1.00	1.00	1.00
TOTAL	2.00	5.00	5.00



TOWN OF PROSPER

DEPARTMENT:
Administration

DIVISION:
Town Secretary

PROGRAM DESCRIPTION

The Town Secretary is responsible for providing comprehensive administrative support to the Mayor and the Town Council. Key duties include posting meeting notices in compliance with the Texas Open Meetings Act, preparing and publishing the final Town Council Meeting Packet, administering municipal elections, and responding to Public Information Requests in accordance with the Texas Public Information Act. In addition, the Town Secretary serves as the Town's Records Management Officer, overseeing the town-wide records management program. This includes coordinating the storage and disposition of inactive records, supporting and training Town staff on records management procedures, and maintaining the Town's historical records. The Town Secretary reports directly to the Executive Director. Support staff include a Deputy Town Secretary and an Executive Assistant, who also provides support to the Town Manager's Office, including the Deputy Town Manager and, occasionally, the Executive Director.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Provide professional, timely, and courteous administrative support to the Town Council - (SVP 4)
- Publish legal notices to satisfy state law and inform the public through print media - (SVP 4)
- Post meeting notices and other legally required public notices in accordance with the Open Meetings Act, the Election Code, and state law - (SVP 4)
- Maintain official Town records in accordance with the Public Information Act and the Texas State Library guidelines for records management - (SVP 4)
- Continue professional development and networking opportunities through appropriate professional organizations - (SVP 4)
- Establish and maintain positive relationships with elected officials, Town staff, and the public - (SVP 4)
- Create and promote the use of door hangers for High Weeds and Grass as an educational tool to increase awareness and voluntary compliance - (SVP 4)
- Provide outstanding customer service to the public and to Town of Prosper staff - (SVP 4)
- Coordinate all aspects of Town elections, including managing contracts through Collin and Denton Counties for election services - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Board and Commission Applications Processed	35	57	40
Registered Voters	25,430	26,072	26,423
Public Information Requests (PIRs) processed	576	618	725

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Meeting notices and other public notices posted on the Town bulletin board and website in accordance with Open Meetings Act	100%	100%	100%
Voter turnout in Town of Prosper General/Special Election	N/A	N/A	15%
Registered voters as a percentage of population	60%	61%	58%
Responses to PIR's within 10 business days	100%	100%	100%

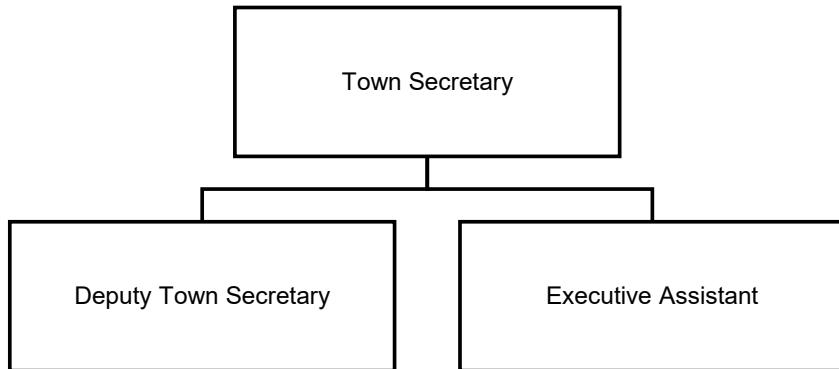
TOWN OF PROSPER

DEPARTMENT:
Administration

DIVISION:
Town Secretary

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	302,248	313,674	372,458
Operations	223,765	291,533	293,310
VERF Charges for Services	-	117	-
TOTAL	526,013	605,324	665,768

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Town Secretary	1.00	1.00	1.00
Deputy Town Secretary	-	-	1.00
Executive Assistant	1.00	1.00	1.00
Records Management Specialist	1.00	1.00	-
TOTAL	3.00	3.00	3.00



TOWN OF PROSPER

DEPARTMENT:
ADMINISTRATION

DIVISION:
FINANCE

PROGRAM DESCRIPTION

The Finance Department is responsible for all financial management of the Town including: cash receipt, cash disbursements, procurement, payroll, deposits and investments, grant management, financial projects, budget and the issuance of the annual audited financial statements. In addition, Finance must ensure compliance with Federal and State statutes, debt covenants and grant requirements.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Continue to maintain our current bond credit rating, Moody's AA1 and S&P AA+. - (SVP 4)
- Receive the Certificate of Achievement from GFOA for the Annual Comprehensive Financial Report. – (SVP 4)
- Maximize use of e-procurement system. - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Invoices processed	8,616	9,200	9,500
Accounts Payable payments processed	4,668	4,700	5,000
Journal entries processed	4,620	5,000	5,500
Payroll payments processed	9,889	10,668	11,310
Purchase orders/change orders issued	750	3,000	3,000
Bids/Contracts processed	85	85	93
P-card Transactions	6,151	7,200	8,000

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Invoices paid within 30 days of receiving	82%	100%	100%
Vendors on ACH/Wire payments	33%	33%	38%

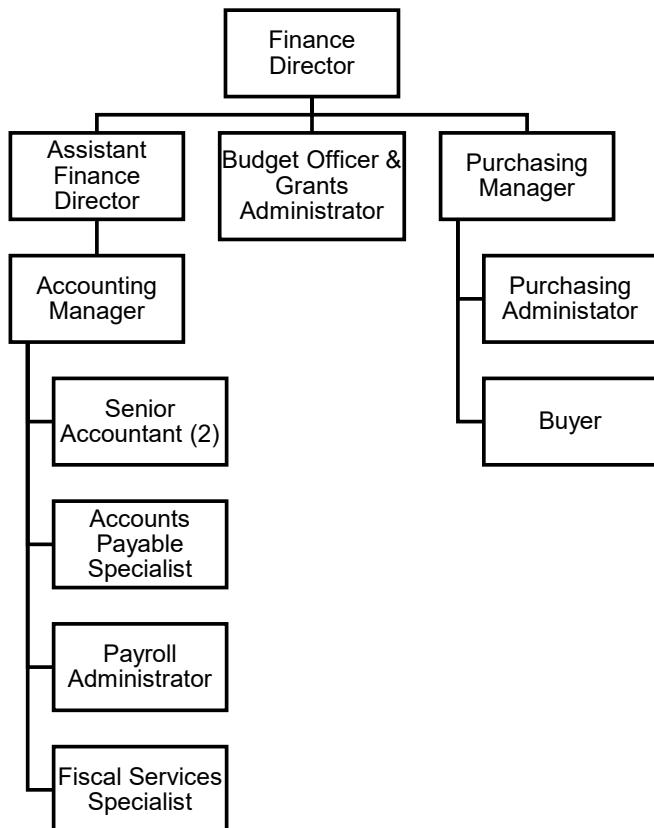
EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	1,346,919	1,429,967	1,479,224
Operations	1,372,289	789,034	958,998
VERF Charges for Services	1,250	167	-
TOTAL	2,720,458	2,219,168	2,438,222

TOWN OF PROSPER

DEPARTMENT:
Administration

DIVISION:
Finance

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Accounting Manager	1.00	1.00	1.00
Accounts Payable Specialist	1.00	1.00	1.00
Administrative Assistant	0.50	0.50	-
Assistant Finance Director	1.00	1.00	1.00
Assistant Purchasing Manager	1.00	1.00	-
Budget Officer & Grants Administrator	-	1.00	1.00
Buyer	1.00	1.00	1.00
Finance Director	1.00	1.00	1.00
Fiscal Services Specialist	-	-	1.00
Fleet Coordinator	-	1.00	-
Grants Administrator	1.00	-	-
Payroll Administrator	1.00	1.00	1.00
Purchasing Administrator	-	-	1.00
Purchasing Manager	1.00	1.00	1.00
Senior Accountant	2.00	2.00	2.00
TOTAL	11.50	12.50	12.00



TOWN OF PROSPER

DEPARTMENT:
Administration

DIVISION:
Human Resources

PROGRAM DESCRIPTION

The Human Resources Department assists departments in hiring and managing great talent to support the goals of the Town. Specific services offered include training and development, a comprehensive benefit program, performance review and improvement, employee engagement, and recognition.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Maintain a quality workforce through effective recruitment and retention efforts - (SVP 4)
- Support positive Town culture through delivering HR services in a timely manner which meet the needs of employees - (SVP 4)
- Facilitate leadership and employee development through providing educational tools, resources, and training to support employee growth - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL 2023-2024	REVISED 2024-2025	BUDGET 2025-2026
Number of employees hired	119	68	110
Terminations	62	31	38
Applications Received	3,330	3,422	4,107

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL 2023-2024	REVISED 2024-2025	BUDGET 2025-2026
Full-Time Turnover	20.5%	8.0%	9.0%
Time to hire (days)	62	67	53
Employee participation in wellness benefits	65% (196)	51% (200)	61% (240)

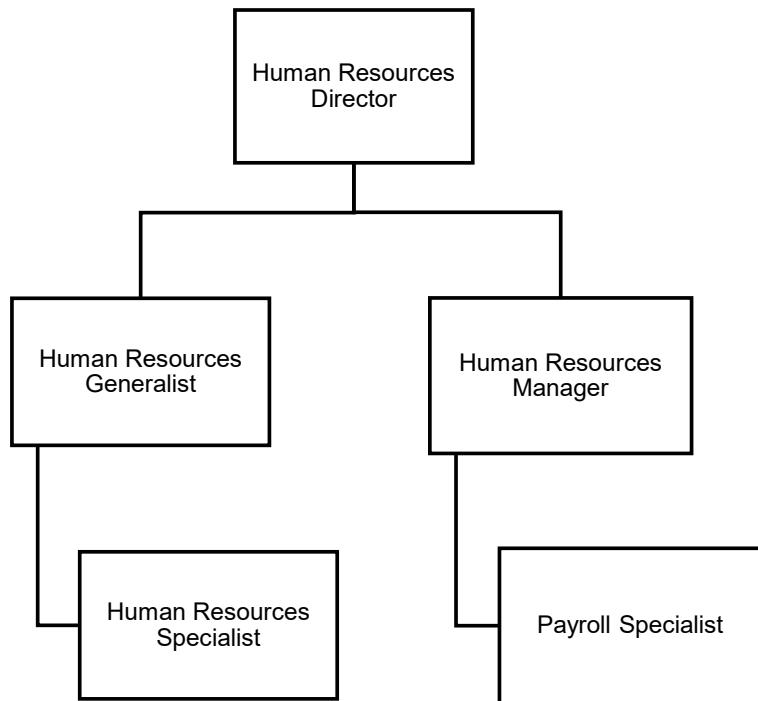
EXPENDITURE SUMMARY	ACTUAL 2023-2024	REVISED 2024-2025	BUDGET 2025-2026
Personnel	592,641	557,705	623,882
Operations	153,167	228,306	257,201
VERF Charges for Services	354	434	-
TOTAL	746,162	786,445	881,083

TOWN OF PROSPER

DEPARTMENT:
Administration

DIVISION:
Human Resources

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
HR Director	1.00	1.00	1.00
HR Generalist	1.00	1.00	1.00
HR Manager	1.00	1.00	1.00
HR Specialist	1.00	1.00	1.00
Payroll Specialist	0.75	0.75	0.75
TOTAL	4.75	4.75	4.75



TOWN OF PROSPER

DEPARTMENT:
Administration

DIVISION:
Information Technology

PROGRAM DESCRIPTION

The Information Technology Department supports key systems for all Town departments including critical public safety operations as well as directing, planning, supporting, and coordinating all activities related to the acquisition, installation, maintenance, and administration of the Town's technical infrastructure, information, asset management, location intelligence and analytics, telephone, network, and records management resources and systems.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Integrate the Capital Improvement Program (CIP) into the GIS - (SVP 1)
- Integrate data transmission (fiber) and data center infrastructure (server duster & networking hardware) into the CIP - (SVP 1)
- Continued to manage the Tyler ERP implementation and help to ensure project success - (SVP 4)
- Complete migration of department and user folders to SharePoint / OneDrive - (SVP 4)
- Refine and enforce SLA thresholds for Help Desk and GIS services - (SVP 4)
- Continue rollout of formal cybersecurity program - (SVP 4)
- Establish data governance program and policies - (SVP 4)
- Provide field staff training and access to GIS tools and platforms - (SVP 4)
- Open data portal with interactive maps and dashboards - (SVP 4)
- Completion of onboarding Facilities to Cityworks - (SVP 4)
- GIS integration with Disaster/Emergency Preparedness & Resilience plans - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Average help desk tickets opened per month (Operations)	304	295	350
Average help desk tickets opened per month (Data & GIS)	211	114	200
Average help desk tickets opened per month (Combined)	515	409	550
Public Web map average daily views	32	35	40
Internal Web map average daily views	2,750	3,000	3,200
Tyler EP&L Webmap average daily hits	8,730	9,000	9,200
Cityworks Web Map average daily hits	1,937	2,000	2,050

TOWN OF PROSPER

DEPARTMENT:

Administration

DIVISION:

Information Technology

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Average help desk tickets closed per month (Operations)	280	301	350
Average help desk tickets closed per month (Data & GIS)	198	121	200
I.T. Systems availability (uptime)	99%	99%	99%

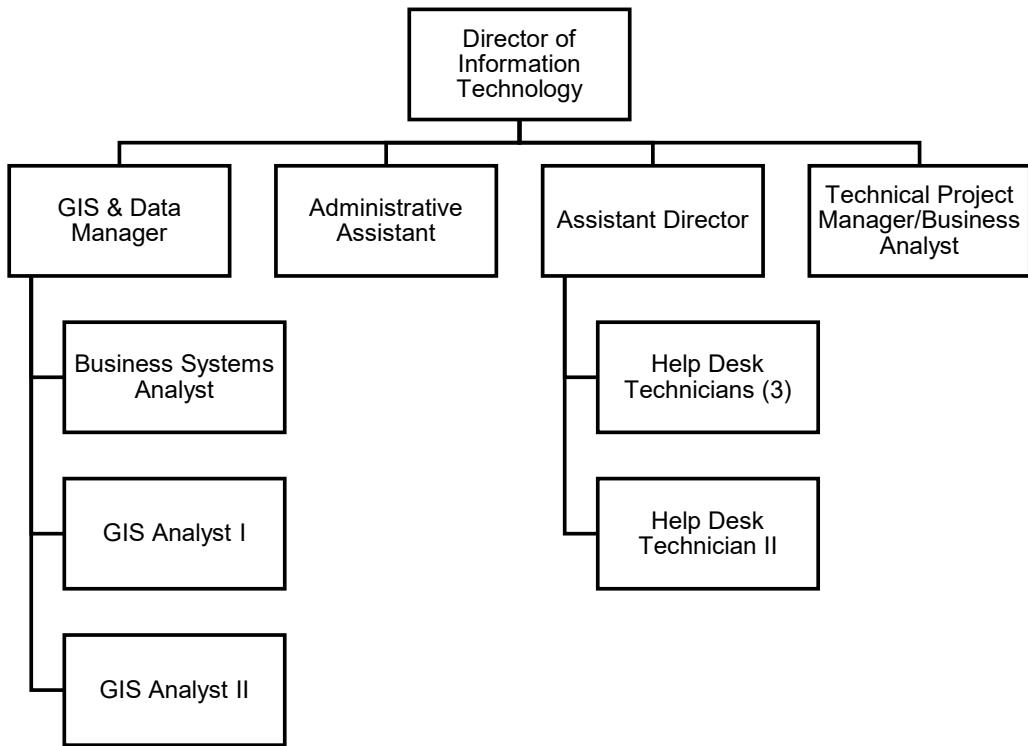
EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	1,236,625	1,391,115	1,519,005
Operations	1,360,471	1,846,462	1,529,925
Capital	127,781	160,850	-
VERF Charges for Services	33,090	37,334	12,745
TOTAL	2,757,967	3,435,761	3,061,675

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Director of Information Technology	1.00	1.00	1.00
Administrative Assistant	0.50	0.50	1.00
Information Technology Manager	1.00	1.00	1.00
Help Desk Technician I	3.00	3.00	3.00
Help Desk Technician II	1.00	1.00	1.00
Technical Project Manager/Business Systems Analyst	1.00	1.00	1.00
GIS Analyst I	1.00	1.00	1.00
GIS Analyst II	1.00	1.00	1.00
GIS & Data Manager	1.00	1.00	1.00
Business Systems Analyst	1.00	1.00	1.00
TOTAL	11.50	11.50	12.00

TOWN OF PROSPER

DEPARTMENT:
Administration

DIVISION:
Information Technology



TOWN OF PROSPER

DEPARTMENT:
Administration

DIVISION:
Communications & Community Engagement

PROGRAM DESCRIPTION

The Communications & Community Engagement (CCE) Department is committed to delivering exceptional service to residents, staff, media, and the broader community by sharing accurate and timely information across a variety of platforms. Our mission is to promote transparency and foster public trust by keeping the Prosper community informed about Town news, services, programs, and events.

The CCE department leads both internal and external communication efforts, overseeing media relations, newsletters, social media, photo and video content, the Town website, printed and digital publications, and community engagement initiatives. Through these channels, the CCE team ensures consistent and effective messaging that reflects the values and priorities of the Town of Prosper and the Town Council.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- External Communication: Deliver relevant, accurate, and timely information to residents and stakeholders through a multi-channel communication approach. - (SVP 4)
- Internal Communication: Establish and enhance effective communication tools for the Town Council and staff to ensure seamless internal operations. - (SVP 4)
- Crisis Communication: Ensure residents are informed and the Town's organizational stability is protected during emergencies - (SVP 4)
- Community Engagement: Foster a strong sense of connection and involvement among residents and stakeholders by encouraging active participation in local government programs and activities. - (SVP 4)
- Legislative Advocacy: Develop and implement strategies to effectively engage with local, state, and federal elected officials, conveying the Town's legislative priorities and influencing the legislative process. - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Social Media Posts	5,388	5,514	5,789
Communication Help Tickets Resolved	388	599	628
Videos Produced	101	108	113
Digital Publications Created	170	180	189
Resident Update Subscribers	4,411	5,098	5,352
Graphic Design Requests	189	200	210
MyProsper Mobile App Service Requests Submitted	1,227	1,062	1,115
MyProsper Mobile App Downloads (per year)	1,871	1,924	2,020
Community Engagement Opportunities:			
Citizens Academy: 11 meetings Avg. 20 participants			
Teen Government Academy: 11 meetings Avg. 15 participants	88	92	92
Mayor's Youth Advisory Council: 9 meetings Avg. 20 participants			

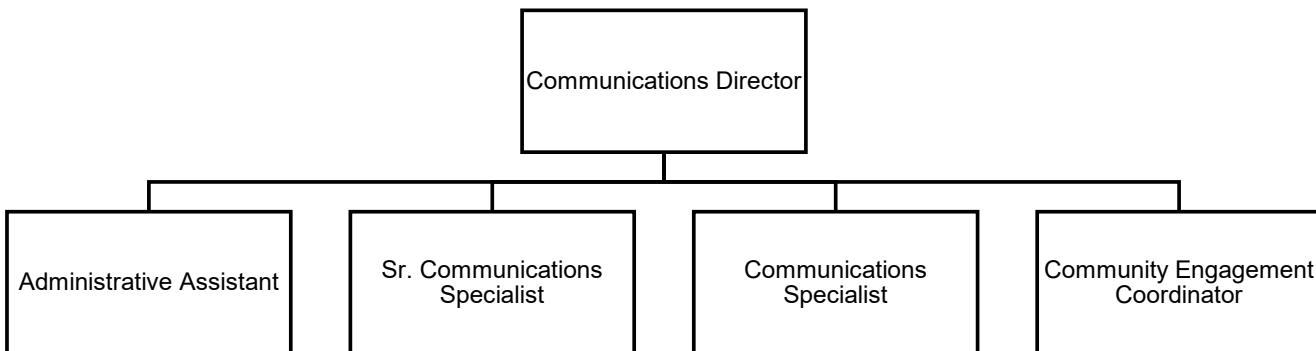
TOWN OF PROSPER

DEPARTMENT:	DIVISION:
Administration	Communications & Community Engagement

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Social Media Engagement Rate (Likes, Comments, Shares, Retweets)	618,487	792,006	831,606
Resident Update Enews Open Rate	66%	68%	69%
MyProsper Mobile App Requests - Average Number of Days to Close	8	9	9

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	657,408	487,231	541,575
Operations	172,504	207,836	207,836
VERF Charges for Services	346	834	-
TOTAL	830,258	695,901	749,411

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Communications Director	-	1.00	1.00
Communications Manager	1.00	-	-
Senior Communications Specialist	1.00	1.00	1.00
Communications Specialist - Graphic Design	0.50	1.00	1.00
Community Engagement Coordinator	1.00	1.00	1.00
Administration Assistant	1.00	1.00	1.00
TOTAL	4.50	5.00	5.00



TOWN OF PROSPER

DEPARTMENT:
Administration

DIVISION:
Municipal Court

PROGRAM DESCRIPTION

The Municipal Court processes criminal class C misdemeanors filed by the Prosper Police Department and code enforcement. Civil matters such as property hearings to determine ownership of recovered stolen property are also handled by the Court. The Court is responsible for ensuring that all persons with matters before the judge are treated professionally, courteously, and most importantly, fairly. Court staff is available to assist customers by providing knowledge and quality information to defendants pertaining to court procedures, hearings and/or trials. The Court is a legal forum used to protect the legal rights of defendants and victims by following the laws of the United States, the State of Texas, and laws implemented by the Town of Prosper.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Timely file, disposition and dispose of matters pending before the court - (SVP 4)
- Responsible for accurate revenue collection and reporting - (SVP 4)
- Efficient record management and activity reporting to a number of state agencies - (SVP 4)
- Handling and processing delinquent cases for warrant and collections - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Cases Filed	3,414	4,100	4,300
Warrants Issued	778	800	900

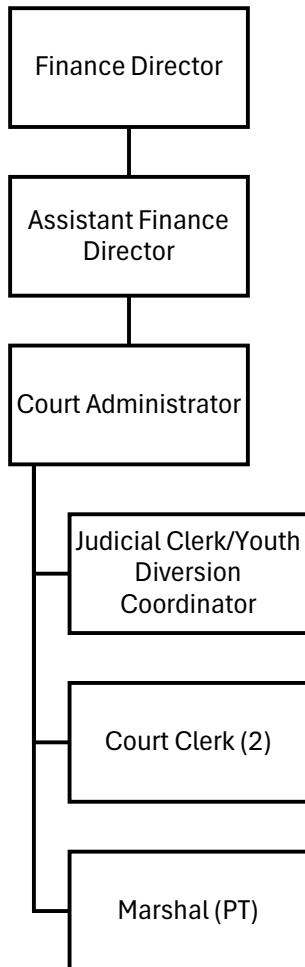
EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Cases Closed (citations, citizen complaints, incident reports)	3,817	3,900	4,000
Warrants Closed/Cleared (arrests and Capias pro fine)	404	500	600

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	300,796	384,322	415,306
Operations	126,941	171,876	226,776
VERF Charges for Services	-	1,134	-
TOTAL	427,737	557,332	642,082

TOWN OF PROSPER

DEPARTMENT:	DIVISION:
Administration	Municipal Court

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Court Administrator	1.00	1.00	1.00
Court Clerk	1.00	2.00	2.00
Judicial Clerk/Youth Diversion Coordinator		1.00	1.00
Marshal (Part-Time)	0.50	0.50	0.50
Senior Court Clerk	1.00	-	-
TOTAL	3.50	4.50	4.50



TOWN OF PROSPER

DEPARTMENT:

Administration

DIVISION:

Non-Departmental

PROGRAM DESCRIPTION

The Non-Departmental budget supports the Town's property insurance and estimated Chapter 380 economic development agreements. Projected salary savings for the General Fund are also accounted for in this division.

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel/(Projected Fund Salary Savings)*	58	(551,803)	(113,017)
Operations	1,004,249	938,702	1,371,902
Developer Agreements	750,232	571,270	986,141
Transfers	-	1,125,000	710,000
TOTAL	1,754,539	2,083,169	2,955,026

**Includes assumption of 2.5% of salary savings budgeted in this division*

TOWN OF PROSPER

DEPARTMENT:
Administration

DIVISION:
Administration, Criminal Investigations, Support Services

PROGRAM DESCRIPTION

The Prosper Police Department delivers comprehensive law enforcement and community policing services to the residents, businesses, organizations, and visitors of Prosper. Our mission remains the protection of life and property, the preservation of public peace, and the consistent delivery of community service with the utmost professionalism, integrity, and ethical standards. These goals are achieved through our dedicated personnel, strategic deployment of resources, and forward thinking use of technology.

We provide 24-hour law enforcement and emergency communication services, ensuring rapid response and high visibility in the community. Under the leadership of Chief Doug Kowalski, the Department maintains its status as an accredited agency under the Texas Police Chiefs Association Foundation (TPCAF) Best Practices Recognition Program, demonstrating our commitment to excellence in law enforcement.

The Prosper Police Department has embraced a data-driven, evidence-based crime reduction model known as Stratified Policing. This model underpins our operational and strategic efforts, guiding how we prioritize and respond to crime trends using real-time information. To support this model, we employ a suite of modern technologies including Automatic License Plate Readers (ALPRs), a Realtime Crime Center Software platform, unmanned aerial systems (drones), and internal dashboard systems that enhance interdepartmental communication, transparency, and situational awareness. These technologies enable us to act proactively, reduce crime, and strengthen community trust.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- The Prosper Police Department's top priority is to reduce crime and disorder through prevention and/or apprehensive, intelligence-led policing, and proactive field operations. We accomplish this by leveraging crime analysis, a structured and tiered response model, and real-time data to guide our decisions and deployments.
- Utilizing the Stratified Policing framework, our officers are equipped with actionable intelligence and supported by advanced technology such as ALPRs, Realtime Crime Center Software, and drones, allowing them to respond to incidents with greater precision and awareness. Internal dashboards provide ongoing analytical insights and facilitate improved internal communications across command and operational teams.
- Our Department is committed to forging strong interagency partnerships and fostering community collaboration. We conduct thorough post-incident investigations, ensuring swift apprehensions and successful prosecutions. Our resource deployment is both strategic and responsive, aimed at minimizing the impact of crime and maintaining public confidence.
- Guided by the core values of Character, Competence, Compassion, Courage, and Commitment, we continually strive to make Prosper a secure and welcoming place to live, work, and visit—delivering public safety services that reflect both innovation and accountability.

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Calls for service (Police Dept. calls only)	24,281	28,720	31,054
Citizen initiated calls	11,875	12,802	13,843
Officer initiated calls	12,406	15,925	17,219
Criminal investigations (reported/investigated)	1,831	2,125	2,298
Felony Offenses resulting in arrest	277	239	258
Misdemeanor Offenses resulting in arrest	469	440	476
Major & Minor crashes	1,023	1,005	986
Citations	3,498	4,416	4,775

TOWN OF PROSPER

DEPARTMENT:	DIVISION:
Administration	Administration, Criminal Investigations, Support Services

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Response time (minutes)	6:24	6:30	6:00
Total Part 1 Crimes	689	576	463
Violent crimes	161	164	167
Property Crimes	528	412	296
Total Part 1 Crimes per capita 1,000	16.17	12.50	10.05
Violent crimes per capita 1,000	3.78	3.56	3.62
Property crimes per capita 1,000	12.39	8.94	6.42

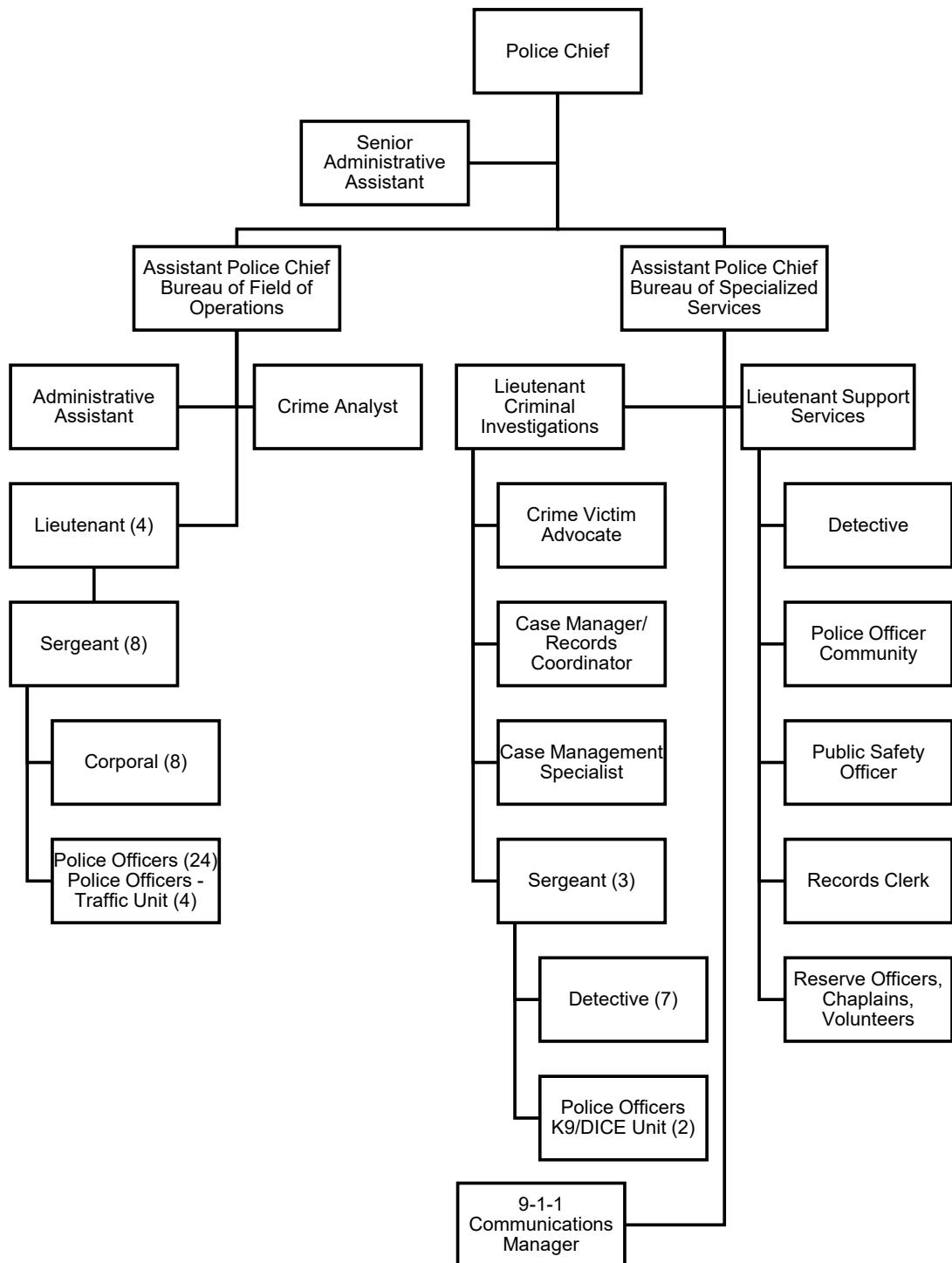
EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	6,027,861	6,874,755	11,574,609
Operations	1,559,998	1,791,352	3,427,515
Capital	1,053,498	319,815	289,354
VERF Charges for Services	258,634	280,510	444,883
TOTAL	8,899,991	9,266,432	15,736,361

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
SWORN			
Police Chief	1.00	1.00	1.00
Assistant Police Chief	1.00	2.00	2.00
Lieutenant	6.00	6.00	6.00
Sergeant	11.00	11.00	11.00
Corporal	8.00	8.00	8.00
Auto Theft Prevention Coordinator	-	-	1.00
Detective	7.00	8.00	8.00
Police Officer	27.00	31.00	35.00
TOTAL SWORN PERSONNEL	61.00	67.00	72.00
CIVILIAN			
Crime Victim Advocate	1.00	1.00	1.00
Crime Analyst	1.00	1.00	2.00
Case Manager/Records Coordinator	1.00	1.00	1.00
Senior Administrative Assistant	1.00	1.00	1.00
Case Management Specialist	-	1.00	1.00
Public Safety Officer	2.00	2.00	2.00
Administrative Assistant	-	1.00	1.00
Records Clerk	1.00	1.00	1.00
TOTAL CIVILIAN PERSONNEL	7.00	9.00	10.00

TOWN OF PROSPER

DEPARTMENT:
Administration

DIVISION:
Administration, Criminal Investigations, Support Services



TOWN OF PROSPER

DEPARTMENT:
Administration

DIVISION:
9-1-1 Communications

PROGRAM DESCRIPTION

The 9-1-1 Communications Division contributes to the safety and well-being of Prosper with efficient and professional communication services.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Diligently and systematically gather information necessary to ensure a safe and effective response for callers and first responders - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Calls for Service	28,883	33,078	36,385
Total Telephone Calls 9-1-1 + Non-Emergency calls	50,732	51,129	56,242

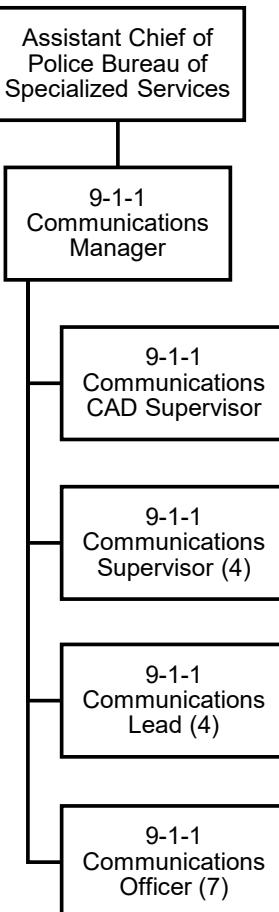
EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Answering all 9-1-1 Calls within 10 seconds	97%	99%	99%

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	1,448,988	1,596,525	1,785,490
Operations	144,877	201,297	202,093
VERF Charges for Services	-	308	462
TOTAL	1,593,865	1,798,130	1,988,045

TOWN OF PROSPER

DEPARTMENT:	DIVISION:
Administration	9-1-1 Communications

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
9-1-1 Communications Manager	1.00	1.00	1.00
9-1-1 Communications CAD Supervisor	-	1.00	1.00
9-1-1 Communications Supervisor	4.00	4.00	4.00
9-1-1 Communications Lead	4.00	4.00	4.00
9-1-1 Communications Officer	6.00	7.00	7.00
TOTAL	15.00	17.00	17.00



TOWN OF PROSPER

DEPARTMENT:
Fire Services

DIVISION:
Operations

PROGRAM DESCRIPTION

The mission of the Prosper Fire Department is to be a model of a successful fire department, focusing on the protection of life, property, and the environment.

The Prosper Fire Department is a group of dedicated professionals working together through our commitment to service and excellence. We dedicate ourselves to the safety of our community by providing the highest level of service possible. We strive for constant improvement to better serve the community and each other.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Protection of lives and property by providing a timely response to emergency incidents – (SVP 4)
- Monitor and plan accordingly for the rapid growth while meeting the immediate needs and planning for the future to maintain the highest level of excellence – (SVP 4)
- Continue to meet and exceed community expectation – (SVP 4)
- Achieve operational excellence by providing adequate deployment – (SVP 4)
- Enhance core competencies and skills through advanced training – (SVP 4)
- Continuing our commitment to a culture that is built on excellence, honesty, integrity, values, respect, accountability, and family – (SVP 4)
- Ensure Fiscal Responsibility – (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Calls for Service to Emergency Incidents	4,485	4,850	5,100

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Average Turnout Time	0:45	0:45	1:00
Average Response Time to Emergency Scene	6:08	6:10	4:00
EMS Chest Pain at Patient to 12-lead ECG	3:53	3:56	10:00
EMS Average Scene Time for Stroke Patients	13:59	14:00	20:00
EMS Average Scene Time for MI/STEMI Patients	15:33	14:39	20:00
Percent of Outdoor Warning Sirens Successfully Tested	100%	100%	100%
Percent of Minimum 20 Training Hours per Month per Member	100%	100%	100%

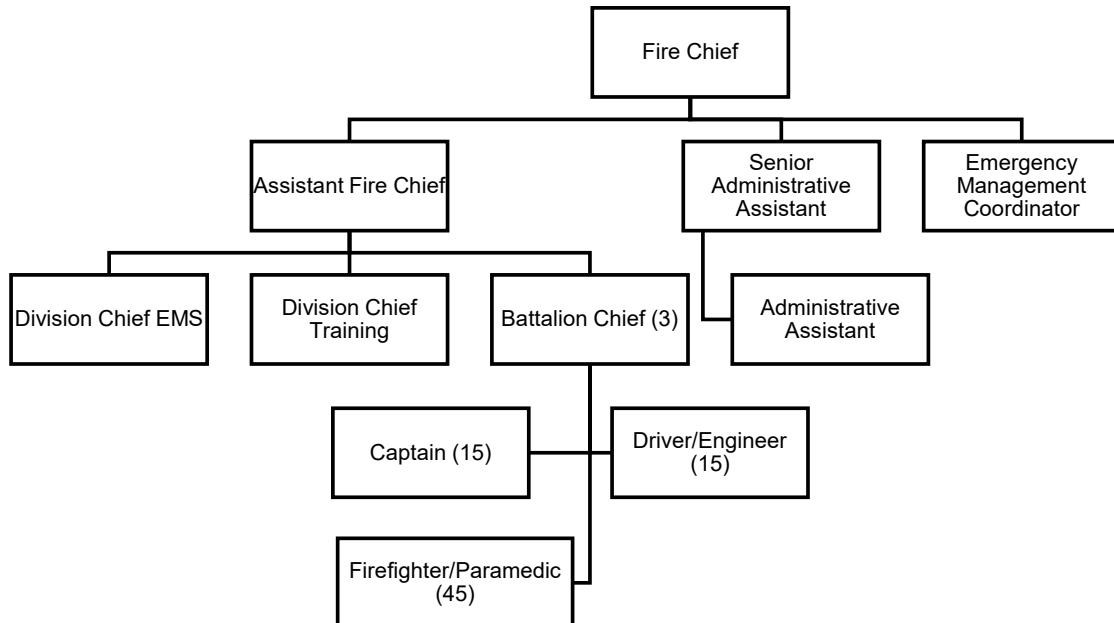
TOWN OF PROSPER

DEPARTMENT:
Fire Services

DIVISION:
Operations

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	8,060,657	7,422,736	12,787,590
Operations	1,164,207	1,471,416	1,705,855
Capital	195,273	91,628	91,629
VERF Charges for Services	615,907	361,253	556,045
TOTAL	10,036,044	9,347,033	15,141,119

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Administrative Assistant	1.00	1.00	1.00
Assistant Fire Chief	1.00	1.00	1.00
Battalion Chief	3.00	3.00	3.00
Captain	12.00	12.00	15.00
Division Chief of EMS	1.00	1.00	1.00
Division Chief of Training	1.00	1.00	1.00
Driver/Engineer	12.00	12.00	15.00
Emergency Management Coordinator	1.00	1.00	1.00
Fire Chief	1.00	1.00	1.00
Firefighter/Paramedic	37.00	37.00	45.00
Firefighter/EMT-Basics	5.00	5.00	-
Senior Administrative Assistant	1.00	1.00	1.00
TOTAL	76.00	76.00	85.00



TOWN OF PROSPER

DEPARTMENT:
Fire Services

DIVISION:
Marshal

PROGRAM DESCRIPTION

The Prosper Fire Marshal's office exists to prevent and reduce the incidents of fire by increasing the awareness and knowledge of the citizens of Prosper through fire prevention and life safety.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Provide fire prevention services through public education programs and regular life safety inspections of businesses and places of assembly - (SVP 4)
- Provide fire investigative services to determine the origin and cause of fires - (SVP 4)
- Enforce fire and life safety codes through plan reviews for new construction, remodeling, and occupancy changes in commercial buildings - (SVP 4)
- Provide public education services emphasizing fire safety - (SVP 4)
- Monitor and plan accordingly for the rapid growth while meeting the immediate needs and planning for the future to maintain the highest level of excellence - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Inspections (FM=Fire Marshal's Office / BV=Bureau Veritas)	3,105	3,530	4,100
Fire Prevention, Total Students and Staff	13,200	11,900	14,500
Total Permits Issued	522	405	490

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Businesses Inspected Annually	98%	85%	90%
Fire Prevention, Total Students and Staff	100%	100%	100%
Total Permits Issued	100%	100%	100%

TOWN OF PROSPER

DEPARTMENT:

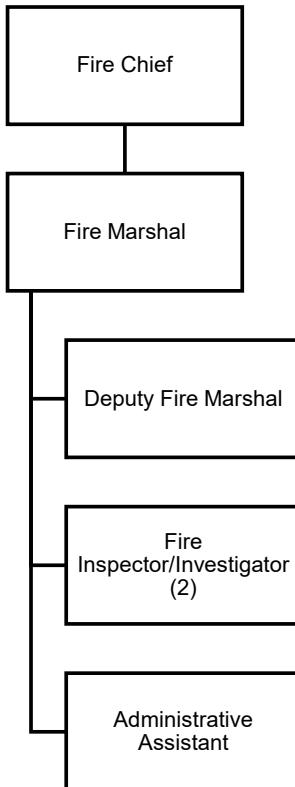
Fire Services

DIVISION:

Marshal

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	546,338	625,496	718,537
Operations	85,680	126,302	73,614
Capital	-	87,917	-
VERF Charges for Services	10,035	8,360	12,540
TOTAL	642,053	848,075	804,691

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Administrative Assistant	1.00	1.00	1.00
Deputy Fire Marshal	1.00	1.00	1.00
Fire Marshall	1.00	1.00	1.00
Fire Inspector/Investigator	1.00	2.00	2.00
TOTAL	4.00	5.00	5.00



TOWN OF PROSPER

DEPARTMENT:

Development Services

DIVISION:

Building Inspections

PROGRAM DESCRIPTION

Building Inspections is a Division of the Department of Development Services. The Division provides professional services to ensure the safety and welfare of the general public by enforcing building, electrical, plumbing and mechanical codes and ordinances within the Town. The Division's personnel conduct plan review prior to the issuance of permits and on-site inspections to verify code compliance throughout the construction process.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Continue to complete all requested inspections on a daily basis - (SVP 4)
- Work to increase the number of first time approvals during plan review by providing contractors with the necessary tools and information to be successful - (SVP 4)
- Strive to increase the number of ICC certified personnel on staff - (SVP 4)

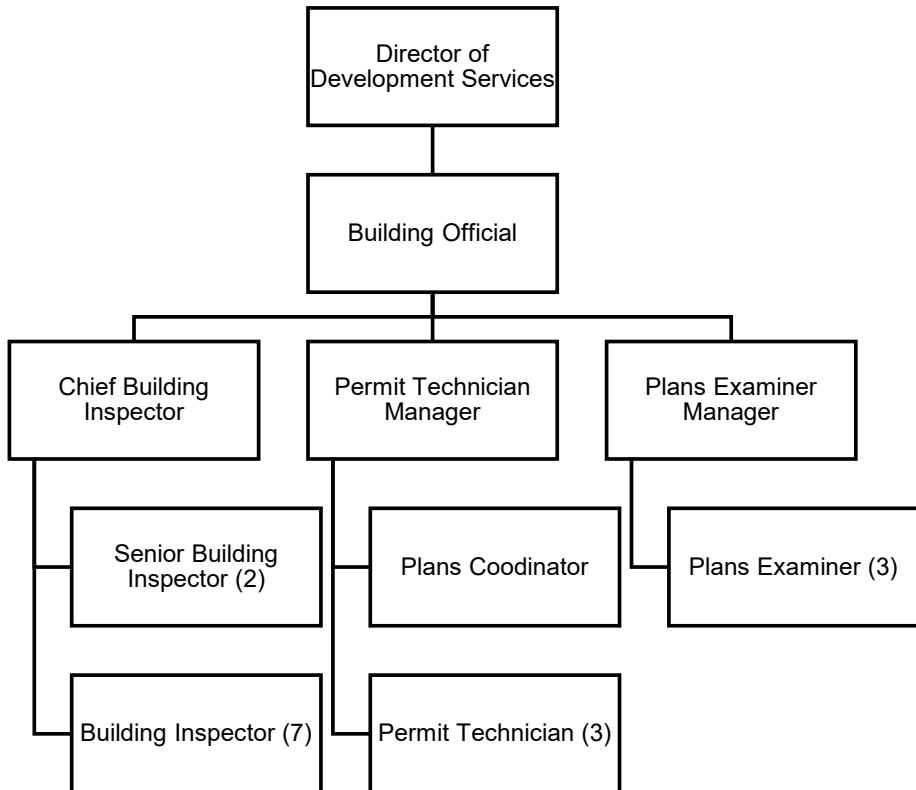
ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Total Permits Issued	4,293	3,826	3,700
Single Family Permits Issued	781	641	600
Inspections Performed	32,821	28,876	25,000
Plan Reviews Completed	3,957	4,071	3,600

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Percent of residential reviews that are re-reviews	30%	27%	30%
Ensure that all inspections are completed on a daily basis (no roll overs)	100%	100%	100%
Have ICC certified or TSBPE licensed staff completing tasks at each step in permitting process (inspections, plan review, and front-counter services)	58%	54%	70%

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	1,825,234	2,159,637	1,994,583
Capital	100,583	533,265	246,120
VERF Charges for Services	28,248	14,044	24,554
TOTAL	1,954,065	2,706,946	2,265,257

TOWN OF PROSPER

DEPARTMENT:	Development Services	DIVISION:		
		Building Inspections		
PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET	
	2023-2024	2024-2025	2025-2026	
Building Inspector	7.00	7.00	7.00	
Building Official	1.00	1.00	1.00	
Chief Building Inspector	1.00	1.00	1.00	
Permit Technician	3.00	3.00	3.00	
Permit Technician Manager	1.00	1.00	1.00	
Plans Coordinator	1.00	1.00	1.00	
Plans Examiner	3.00	3.00	3.00	
Plans Examiner Manager	1.00	1.00	1.00	
Senior Building Inspector	2.00	2.00	2.00	
TOTAL	20.00	20.00	20.00	



TOWN OF PROSPER

DEPARTMENT:

Development Services

DIVISION:

Health & Code Compliance

PROGRAM DESCRIPTION

Code Compliance is a division of the Department of Development Services and provides services to maintain and promote the health, safety, welfare, and property values in Prosper. Staff strives to achieve voluntary compliance of the various land use and nuisance codes through consistent education with all stakeholders while applying codes fairly. The Health component of the Division works with all food establishments, childcare facilities, schools, mobile food vendors and operators of public/semi-public pools, spas, and PIWF's to ensure the safety and cleanliness of the facilities. Eliminating risk factors that contribute to food borne illness is the goal of performing regular risk-based health inspections.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Strive to ensure fundamental codes are enforced that will enhance and increase appeal for residents, visitors, and businesses - (SVP 2)
- Maintain an equitable, expeditious, and effective common-sense approach of enforcing town codes and ordinances - (SVP 2)
- Continue to recommend modifications and enhancements to town codes and ordinances that will improve beautification efforts - (SVP 2)
- Achieve operational excellence by providing adequate deployment – (SVP 4)
- Prioritizing main corridors and thoroughfares to promote pride, cleanliness and enhance landscaping improvements through inspections - (SVP 3)
- Continue to provide onsite food safety training, pool operation, safety and education during various types of Health Inspections and Follow Ups - (SVP 4)
- Create and promote the use of door hangers for High Weeds and Grass as an educational tool to increase awareness and voluntary compliance - (SVP 4)
- Maintain customer friendly and personal Town services - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Courtesy notices sent to property owners	1,080	1,500	1,800
Citations Issued	50	50	95
Health Inspections, including new and reinspection's	650	680	680

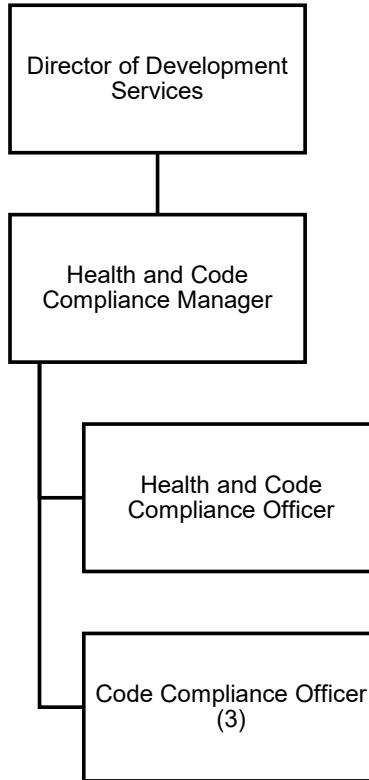
EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Inspect all annual food establishments twice per year	90%	90%	90%
Respond to and investigate complaints within same day or within 24 hours	95%	95%	95%
Proactively notify all property owners along major and minor thoroughfares seeking compliance of the high grass and weeds ordinance	95%	95%	95%
As part of the annual registration and inspection program, require abatement/corrections of multifamily inspection issues within 15 days	85%	90%	95%

TOWN OF PROSPER

DEPARTMENT:	DIVISION:
Development Services	Health & Code Compliance

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	382,414	363,314	481,614
Operations	147,791	421,090	365,542
Capital	(12)	-	-
VERF Charges for Services	11,638	10,216	15,324
TOTAL	541,831	794,620	862,480

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Health and Code Compliance Manager	1.00	1.00	1.00
Health and Code Compliance Officer	1.00	1.00	1.00
Code Compliance Officer	3.00	3.00	3.00
TOTAL	5.00	5.00	5.00



TOWN OF PROSPER

DEPARTMENT:
Development Services

DIVISION:
Planning

PROGRAM DESCRIPTION

Planning is a division of the Department of Development Services and provides professional expertise in the areas of planning, zoning, land use and strategic decision-making to elected and appointed officials, Town management, citizens, and developers to ensure the future quality of life in the Town of Prosper. Primary responsibilities of the Planning staff include implementing the Comprehensive Plan, the Zoning Ordinance, and the Subdivision Ordinance to achieve the desired objectives of the Town. The division responds to development-related requests, facilitates the development application process, and is responsible for developing reports and recommendations to the Town Council, the Planning & Zoning Commission, and the Board of Adjustment. These requests include applications for Zoning changes, Subdivision Plats, Site Plans and Variances.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Revitalize Prosper Downtown consistent with the Vision and Master Plan - (SVP 2)
- Establish an overlay within the Unified Development Code - (SVP 2)
- Maintain high-quality development consistent with Town's standards and codes - (SVP 2)
- Encourage redevelopment within the Downtown - (SVP 2)
- Ensure that new development is attractive and creates or enhances Prosper's sense of place - (SVP 2)
- Provide exceptional reviews on any new development - (SVP 4)
- Have a strong working partnership with Prosper ISD - (SVP 4)
- Update Town's standards and codes to upkeep with current trends - (SVP 4)
- Continuous improvement based on best practices and benchmarking in accordance with the Matrix recommendations - (SVP 4)
- Develop the Dallas North Tollway corridor consistent with the Vision and Master Plan - (SVP 3)
- Develop corridors linking major development nodes - (SVP 3)
- Maintain high-quality development consistent with Town's standards and codes - (SVP 3)
- Ensure that new development is attractive and creates or enhances Prosper's sense of place - (SVP 3)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL 2023-2024	REVISED 2024-2025	BUDGET
			2025-2026
Development Cases	152	111	125
Zoning Cases	20	14	15
Comprehensive Plan Amendments	-	1	-
Number of pre-apps on future development	33	32	45
Number of incomplete submittals due to completeness and quality review	176	111	100
Number of amendments to the zoning and subdivision ordinance, and other ordinances and plans to stay current with trends and desired standards.	1	1	5

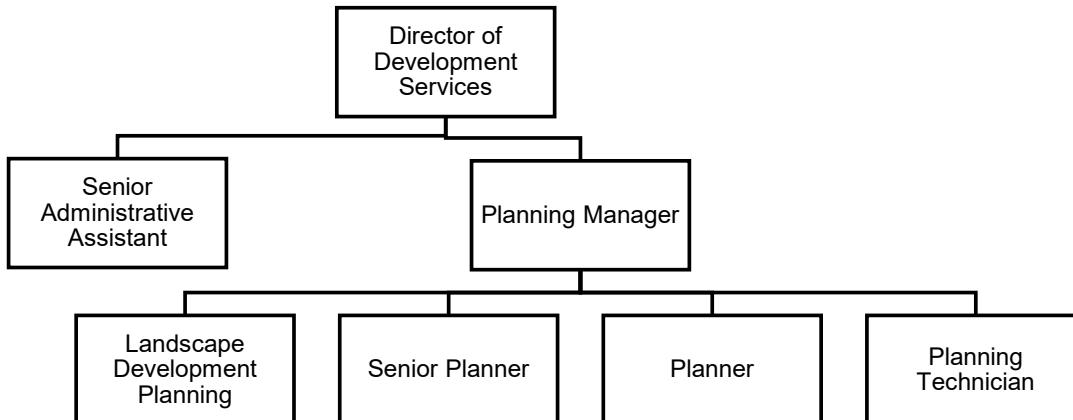
TOWN OF PROSPER

DEPARTMENT:	DIVISION:
Development Services	Planning

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Review completeness and quality applications within 48 hours of submittal	80%	50%	85%
Review all 1st round of submittals within 10 days.	85%	85%	85%
Return pre-app meetings notes within a week.	55%	30%	80%
Place Development submittals on Planning & Zoning Commission agenda within 30 days of receipt of application	25%	25%	25%
Place Zoning submittals on Planning & Zoning Commission agenda within 60 days of receipt of application	25%	20%	30%
Return phone calls/emails within 24 hours	85%	85%	95%
Continuing education/training for staff development to provide enhanced services to other departments/public.	80%	100%	100%

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	719,734	757,104	845,127
Operations	69,080	103,450	109,450
VERF Charges for Services	1,945	924	1,386
TOTAL	790,759	861,478	955,963

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Director of Development Services	1.00	1.00	1.00
Senior Administrative Assistant	1.00	1.00	1.00
Planning Manager	1.00	1.00	1.00
Landscape Development Planner	1.00	1.00	1.00
Senior Planner	1.00	1.00	1.00
Planner	1.00	1.00	1.00
Planning Technician	1.00	1.00	1.00
TOTAL	7.00	7.00	7.00



TOWN OF PROSPER

DEPARTMENT:
Public Works

DIVISION:
Streets

PROGRAM DESCRIPTION

The Streets Division is responsible for the repair and maintenance of streets, sidewalks, alleys, and signage. The Division rebuilds asphalt streets, makes minor street and alley repairs, builds and repairs sections of sidewalk and curbs, sweeps streets, and sands driving surfaces during icy weather. The Streets Division also provides the electrical expenditures associated with providing street lights and traffic signals within Town limits.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Maintain a top quality workforce with competitive compensation - (SVP 4)
- Operate under an organizational culture that values innovation, productivity, responsibility, and accountability that empowers managers and employees - (SVP 4)
- Provide traffic control during special events and provide public services messages - (SVP 4)
- Ensure proper operation of school zone flashers and speed boards by maintenance and repair - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Number of Work Orders	1,258	798	1,120

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Repair street signs & regulatory signage within four hours of initial contact	90%	95%	95%
Respond to icy road conditions within two hours	100%	100%	100%

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	1,038,180	1,133,820	1,476,236
Operations	2,089,951	2,137,650	2,455,204
Capital	131,649	-	-
VERF Charges for Services	62,856	39,940	68,716
TOTAL	3,322,636	3,311,410	4,000,156

TOWN OF PROSPER

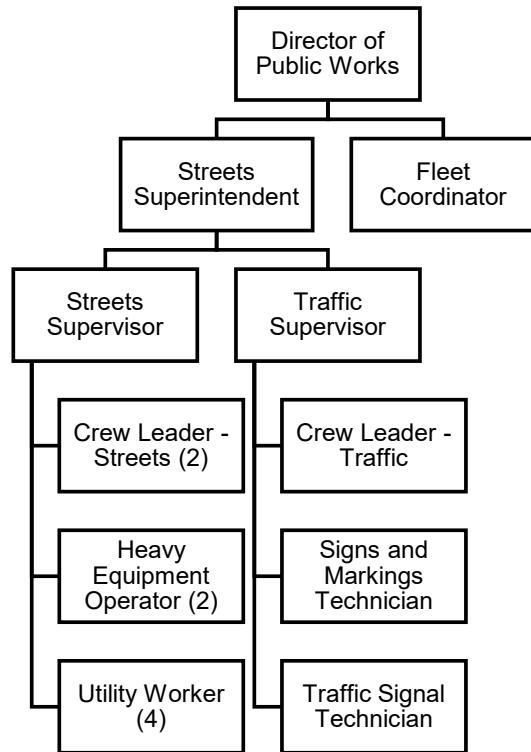
DEPARTMENT:

Public Works

DIVISION:

Streets

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Crew Leader - Streets	2.00	2.00	2.00
Heavy Equipment Operator	2.00	2.00	2.00
Utility Worker	4.00	4.00	4.00
Signals/Signs Supervisor	1.00	1.00	1.00
Crew Leader - Traffic	1.00	1.00	1.00
Signs and Markings Technician	-	1.00	1.00
Traffic Signals Technician	-	-	1.00
Fleet Coordinator	-	-	1.00
Streets Superintendent	1.00	1.00	1.00
Streets Supervisor	1.00	1.00	1.00
TOTAL	12.00	13.00	15.00



TOWN OF PROSPER

DEPARTMENT:
Public Works

DIVISION:
Facilities

PROGRAM DESCRIPTION

Facilities Management provides for the maintenance and construction of the Town of Prosper facilities. Facilities core functions include construction, maintenance and operations: Overseeing HVAC, electrical, plumbing and other building systems to ensure they function properly. Optimizing space and ensuring safe and healthy operations in office spaces, workstations and common areas. Janitorial and other services as needed, waste management and sanitation. Managing security and access controls and other asset security. Managing vendors and facilities contracts and costs. Initiating and managing construction of new and existing facilities including ground up and remodels.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Work to improve the use and development of the Town's facilities through planning and building new structures to meet town needs, such as Fire Station #4 and the Public Works/Parks buildings - (SVP 1)
- Work to properly maintain and manage current buildings with improved environmental systems including rooftop A/C units on Town Hall, and repairs among other departments such as the Parks roof and parking area - (SVP 1)
- Work with Town staff and other groups to make sure that parking is available in the Town Hall parking lot for Downtown events - (SVP 2)
- Maintain parking lots so they are safe and clean with proper lighting - (SVP 2)
- Providing safe, clean, and comfortable buildings for the public and staff - (SVP 4)
- Maintain internal systems so they are always functioning properly as well as minimizing breakdowns - (SVP 4)
- Ensure inspections of elevators and other life safety devices making sure they are up to date such as fire sprinkler systems - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Completion of scheduled preventative maintenance like filters and belts.	100%	100%	100%
Completion of maintenance requests and planned projects.	100%	100%	100%

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Completing construction projects and assignments under budget and within timeframes.	100%	100%	100%
Tracking and completing workorders in a timely manner.	100%	100%	100%

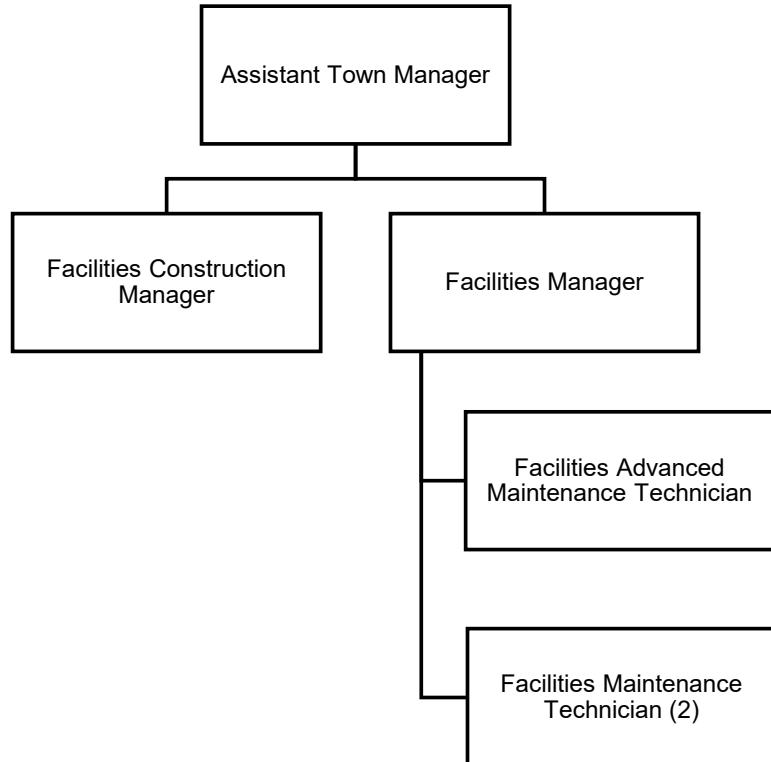
TOWN OF PROSPER

DEPARTMENT:
Public Works

DIVISION:
Facilities

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	248,847	488,626	492,833
Operations	1,030,580	971,986	1,013,502
VERF Charges for Services	4,894	3,923	5,884
TOTAL	1,284,321	1,464,535	1,512,219

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Facilities Advanced Maintenance Technician	1.00	1.00	1.00
Facilities Construction Manager	-	1.00	1.00
Facilities Maintenance Technician	1.00	2.00	2.00
Facilities Manager	1.00	1.00	1.00
TOTAL	3.00	5.00	5.00



TOWN OF PROSPER

DEPARTMENT:
Community Services

DIVISION:
Park Administration

PROGRAM DESCRIPTION

The Park Administration Division oversees and administers all of the Parks and Recreation departmental activities. The division is also responsible for marketing of the department, programs, activities and special events. They also manage the planning and construction of parks and trails. The division reviews the landscape, irrigation and tree preservation plans to ensure compliance with Town ordinances.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Provide long range planning as well as implementation of the Parks and Recreation Master Plan to meet the parks, trails, and facility needs of the Towns residents - (SVP 4)
- Provide park design and construction of parks that meets the needs of the community as well as enhances the value of the property surrounding the park - (SVP 4)
- Continue to pursue funding assistance and grants for park CIP projects - (SVP 4)
- Work with the developing community and other organizations to develop our park system - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Provide adequate park land to meet Towns existing and future needs (Master Plan LOS 11.25-20.5 acres per 1,000 population)	17	18	18
Review of private development Landscape Plans and Tree Preservation plans (Parks Admin is no longer responsible for this review work; it's now done by Development Services)	825	100	-

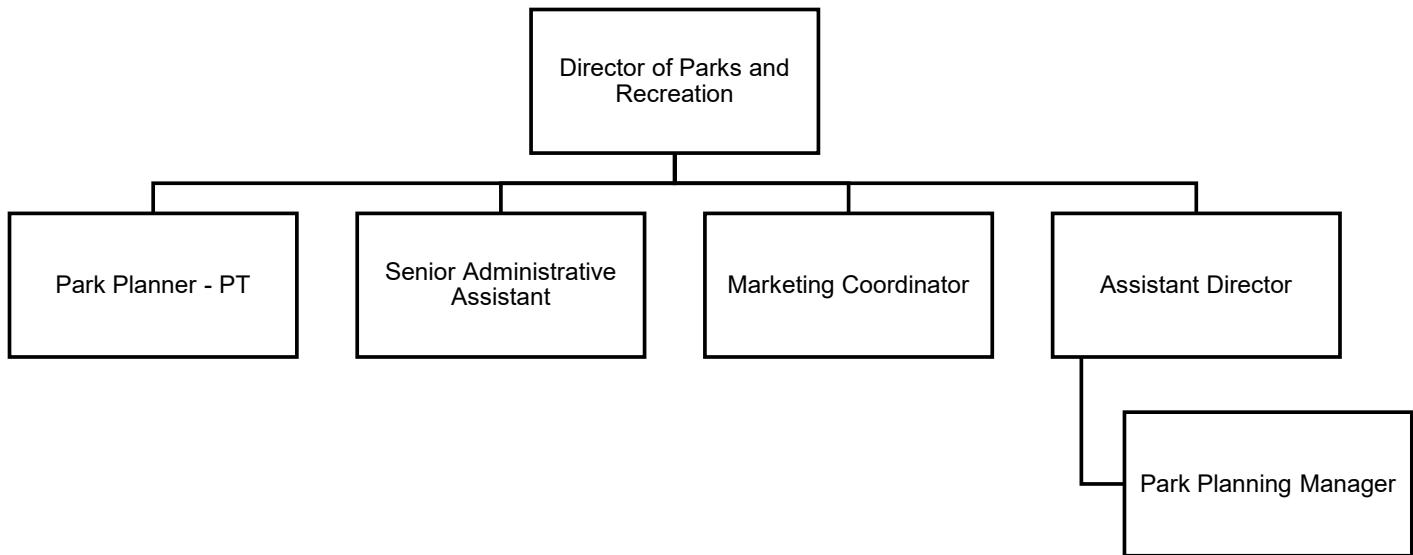
EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Total acres of park land within the Town both developed and undeveloped	634	655	741

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	660,790	880,237	985,245
Operations	545,530	559,046	432,743
VERF Charges for Services	3,774	2,370	3,555
TOTAL	1,210,094	1,441,653	1,421,543

TOWN OF PROSPER

DEPARTMENT:	DIVISION:
Community Services	Park Administration

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Senior Administrative Assistant	-	-	1.00
Administrative Assistant	1.00	1.00	-
Assistant Director of Parks and Recreation	1.00	1.00	1.00
Director of Parks and Recreation	1.00	1.00	1.00
Marketing Coordinator	1.00	1.00	1.00
Park Planner	-	0.50	0.50
Park Planning Manager/Assistant Director	1.00	-	-
Senior Park Planner	1.00	-	-
Park Planning Manager	-	1.00	1.00
TOTAL	6.00	5.50	5.50



TOWN OF PROSPER

DEPARTMENT:	DIVISION:
Community Services	Park Operations

PROGRAM DESCRIPTION

The Park Operations Division manages the maintenance of the Town's parks, medians, trails, and open spaces. The Division also prepares sports fields for practices, games, tournaments and assists with special events.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Continuing to maintain the Town's landscape and open space at a high level - (SVP 4)
- Continuing to support Town events - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Maintain and prepare game and practice facilities to meet the local sports league needs for available space (number of participants)	10,200	10,300	11,288
Acres of park land maintained	335	439	540

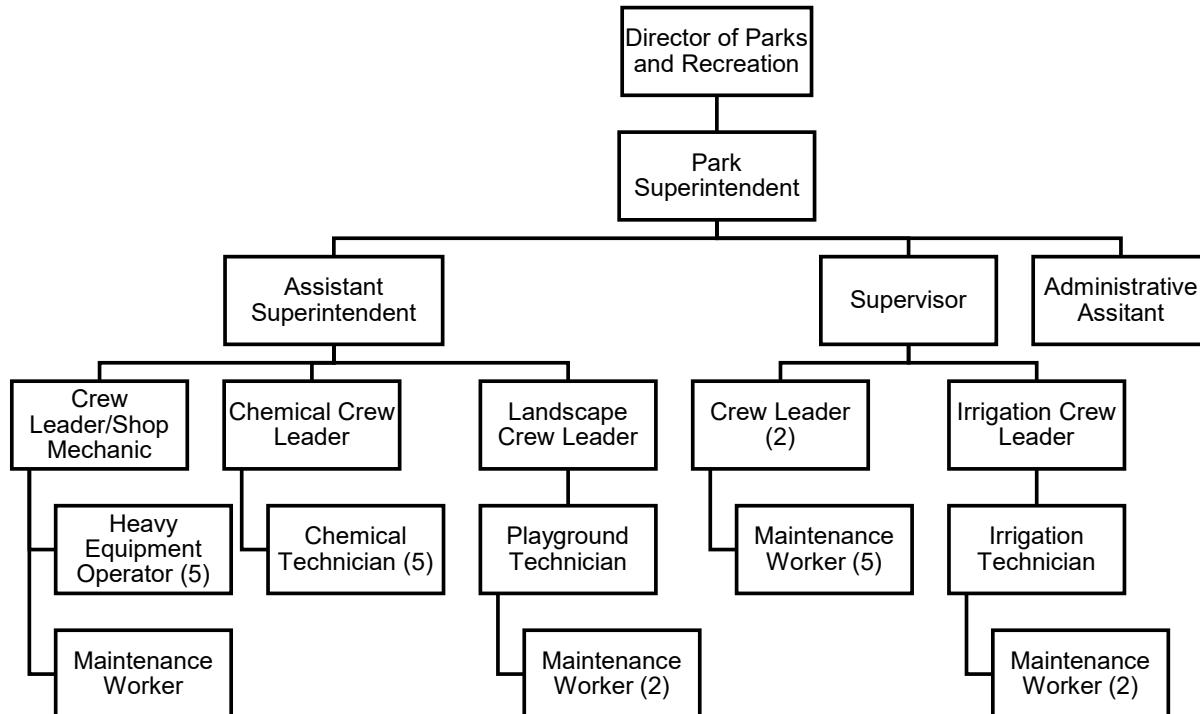
EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Maintain playgrounds that meet the latest American Society for Testing and Materials (ASTM) and Consumer Product Safety Commission (CPSC) guidelines	100%	100%	100%
Work with outside groups who perform service projects to minimize staff time or provide additional items (Goal: 2 projects per year)	4	3	4

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	2,086,206	2,530,361	2,750,331
Operations	2,269,923	2,271,235	2,798,103
Capital	155,022	103,312	96,000
VERF Charges for Services	125,864	79,538	129,971
TOTAL	4,637,015	4,984,446	5,774,405

TOWN OF PROSPER

DEPARTMENT:	DIVISION:
Community Services	Park Operations

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Chemical Crew Leader	1.00	1.00	1.00
Chemical Technician	4.00	4.00	5.00
Crew Leader	3.00	3.00	3.00
Crew Leader/Shop Mechanic	1.00	1.00	1.00
Heavy Equipment Operator	5.00	5.00	5.00
Irrigation Crew Leader	1.00	1.00	1.00
Irrigation Technician	1.00	-	1.00
Maintenance Worker	10.00	10.00	10.00
Parks Superintendent	1.00	1.00	1.00
Assistant Parks Superintendent	-	1.00	1.00
Parks Operations Supervisor	1.00	1.00	1.00
Playground Technician	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
TOTAL	30.00	30.00	32.00



TOWN OF PROSPER

DEPARTMENT:

Community Services

DIVISION:

Park Recreation

PROGRAM DESCRIPTION

The Park Recreation Division provides programs, activities, and special events that meet the needs of the residents. They also manage field and pavillion rentals and assist sports groups in scheduling.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Increase participation in programs and recreation opportunities - (SVP 4)
- Offer indoor programming in Town Hall and the 407 Rec Center - (SVP 4)
- Creating partnerships to offer additional programming space for growing programs - (SVP 4)
- Offer well attended community events, with new and original activities to increase participation. Adding an active adult's expo, P-Town Throwdown pickleball tournament, and enhancing current events - (SVP 4)
- Enhance the health and wellness of our community with the yearlong Mayor's Fitness Challenge and an inner-city competition with the Town of Little Elm. - (SVP 4)
- Offer new opportunities for active adult programming. - (SVP 4)
- Offer Downtown community events to help increase foot traffic to the Downtown businesses. - (SVP 2)
- Offer adaptive programs and events for families with children with special needs. - (SVP 4)
- Working together with Downtown businesses to provide recreation programs for the community. - (SVP 2)
- Working together with the local school district and youth sports associations, to ensure the community needs are being met - (SVP 4)

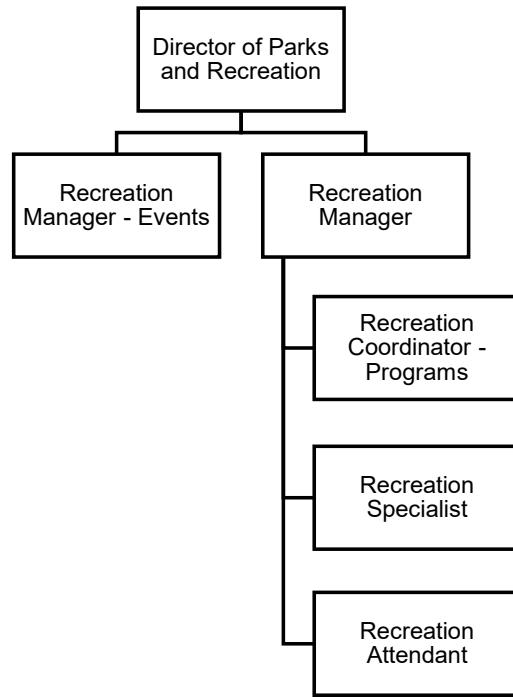
ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Recreation revenue	\$327,457	\$315,000	\$345,000
Number of classes and programs offered throughout the year	134	142	160
Annual Pavilion Rentals	111	116	122

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Percent of classes/programs that meet attendance requirement	86%	89%	90%

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	321,714	292,011	282,139
Operations	476,303	447,386	226,801
TOTAL	798,017	739,397	508,940

TOWN OF PROSPER

DEPARTMENT:	DIVISION:		
Community Services	Park Recreation		
PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Recreation Specialist	1.00	1.00	1.00
Recreation Coordinator - Programs	1.00	1.00	1.00
Recreation Coordinator - Events	1.00	1.00	-
Recreation Manager - Events	-	1.00	-
Recreation Manager	1.00	1.00	1.00
Recreation Attendant - Seasonal	1.00	0.50	0.50
TOTAL	5.00	5.50	3.50



TOWN OF PROSPER

DEPARTMENT:

Community Services

DIVISION:

Special Events

PROGRAM DESCRIPTION

The Special Events Division plans, coordinates, and manages community events that bring residents together. These events include seasonal festivals, concerts, holiday celebrations, and other public gatherings. The division works to foster community pride, support local businesses, and enhance the quality of life for Prosper residents through inclusive, safe, and memorable experiences

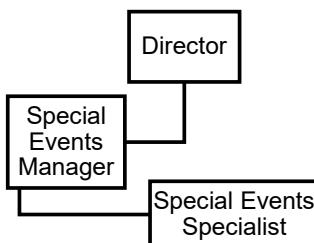
ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Increase Community Participation in events through marketing and targeted outreach - (SVP 4)
- Develop mutually beneficial partnerships with local businesses, nonprofits, and civic organizations to enhance event offerings - (SVP 2)
- Pursue sponsorship opportunities to increase financial sustainability and community investment in events - (SVP 4)
- Reimagine traditional events by incorporating innovative elements, interactive programming, and culturally relevant themes - (SVP 4)
- Coordinate with downtown business and the Prosper Economic Development Corporation to align event timing and offerings to maximize visibility, engagement, and economic benefit - (SVP 2)
- Ensure all events are welcoming and accessible, with specific accommodations for families and children with special needs - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Attendance of annual Town events (Contract partnered events not included)	12,500	13,600	15,500

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	-	-	161,223
Operations	-	-	385,275
TOTAL	-	-	546,498

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Special Events Manager	-	-	1.00
Special Events Specialist	-	-	1.00
TOTAL	0.00	0.00	2.00



TOWN OF PROSPER

DEPARTMENT:	DIVISION:
Community Services	Library

PROGRAM DESCRIPTION

The Prosper Community Library serves as a cornerstone of learning, literacy, and community connection for all Prosper-area residents. The library provides equitable access to high-quality resources that support education, intellectual curiosity, and lifelong learning. Visitors will find a clean, well-organized, and welcoming environment designed for discovery and engagement. The library's diverse collection includes books, audiobooks, and digital materials in multiple formats. Good lighting, comfortable seating, updated technology, and inviting spaces make exploration accessible and enjoyable. As a community hub, the library cultivates connection through social interaction, civic engagement, and a wide range of programs and cultural experiences for individuals and families.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Continue to provide excellent municipal services. – (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Library Visits	64,197	72,600	77,000
Physical items circulated	166,635	167,000	171,000
E-books circulated*	-	-	18,000
Program attendance	15,415	16,000	17,000
Library card holders	11,326	13,300	15,000
Collection Size (Digital Consortium)	750,000	1,020,000	1,400,000
CollectionSize (Physical)	34,691	33,000	35,000

*tracking started in Q3 of FY25

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
*Population	41,660	44,992	46,087
Library card holders as a % of population	27.2%	29.6%	32.5%
Physical item circulation per capita	4.00	3.71	3.71
E-books circulated per capita*	-	-	0.39
Library visits per capita	1.54	1.61	1.67
Holdings per capita (Digital Consortium)	18.00	22.7	30.4
Holdings per capita (Physical)	0.83	0.73	0.76

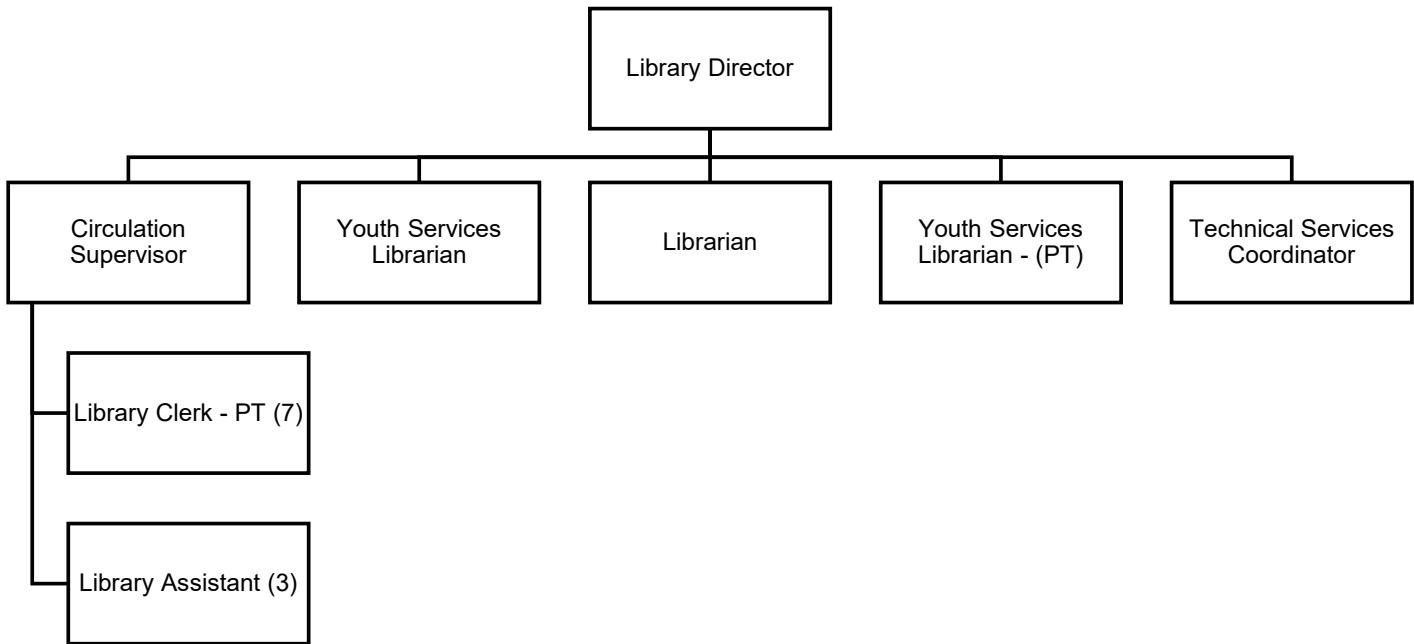
*tracking started in Q3 of FY25

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	723,210	808,759	935,954
Operations	113,746	154,640	158,898
VERF Charges for Services	809	526	788
TOTAL	837,765	963,925	1,095,640

TOWN OF PROSPER

DEPARTMENT:	DIVISION:
Community Services	Library

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Circulation Supervisor	-	-	1.00
Library Director	1.00	1.00	1.00
Youth Services Librarian	1.50	1.50	1.50
Technical Services Coordinator	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	-
Librarian	-	-	1.00
Library Assistant	2.00	3.00	3.00
Library Clerk	5.00	4.50	4.50
TOTAL	11.50	12.00	13.00



TOWN OF PROSPER

DEPARTMENT:
Engineering

DIVISION:
Engineering

PROGRAM DESCRIPTION

The Town of Prosper Engineering Services Department provides full project management services for the planning, design, and construction of all Town-funded projects and provides review services for all privately funded projects.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Review all development plans submitted within 10-day turnaround - (SVP 1)
- Meet all benchmark schedules for design, land acquisition, utility relocation and construction for CIP projects - (SVP 1)
- Respond to contractors request for information within 3 working days - (SVP 4)
- Approve monthly pay applications within 5 days of satisfactory submittal - (SVP 4)
- Complete daily inspection reports on all Town CIP projects - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Number of plan reviews for developments and subdivisions to construction	720	700	650
Conduct and document daily inspection of all CIP and Town Infrastructure improvements*	7,500	7,500	7,500
Number of Traffic engineering related requests, including signs, markings, signal operations and safety studies.	-	125	150

**Estimate based on 10 inspections per person x 250 days per year. Actual number of inspections will be tracked with implementation of Energov software.*

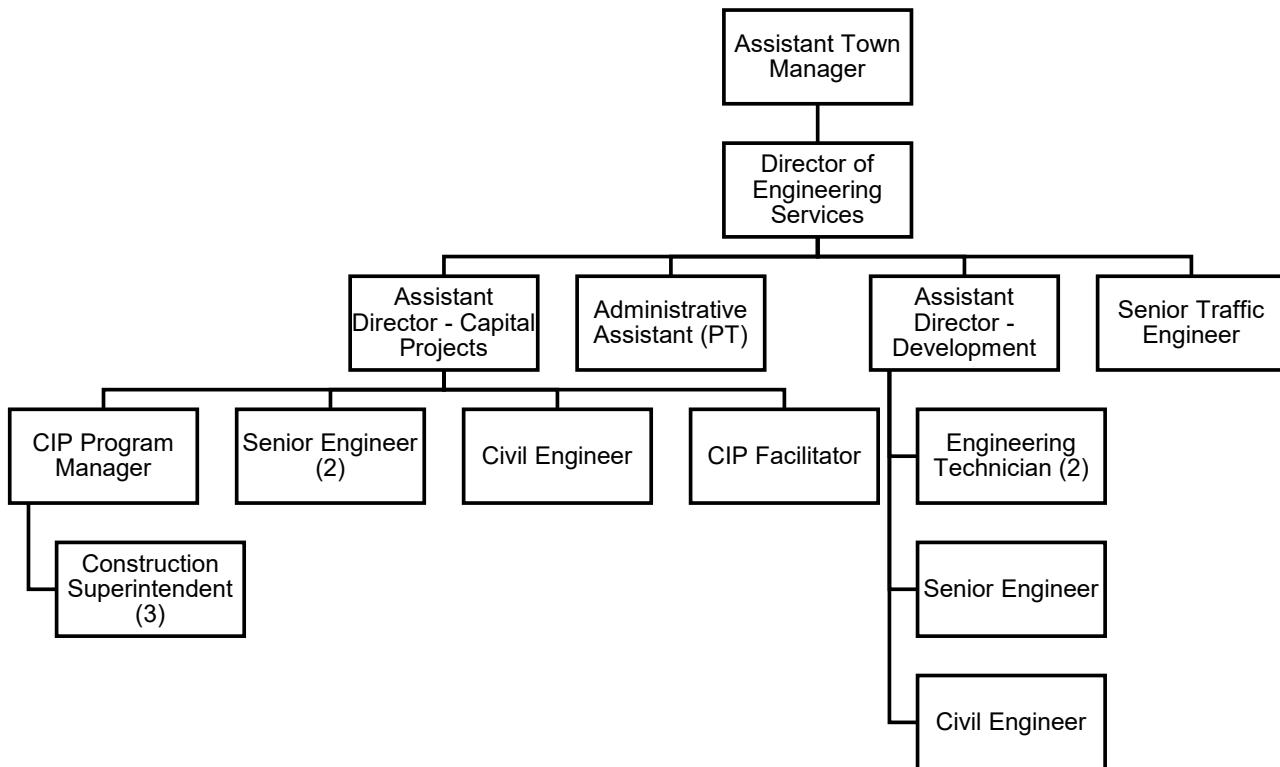
EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Review all development plans submitted within 10-day turnaround	70%	85%	95%
Meet all benchmark schedules for design, land acquisition, utility relocation and construction for CIP projects	90%	92%	95%
Respond to contractors request for information within 3 working days	98%	98%	98%
Approve monthly pay applications within 5 days of satisfactory submittal	98%	98%	99%
Complete daily inspection reports on all Town CIP projects	100%	100%	100%
Respond to traffic inquiries, complaints or other traffic related incidents within 24 hours	-	90%	100%

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	2,496,790	2,415,611	2,555,792
Operations	147,843	117,235	153,179
VERF Charges for Services	13,359	9,008	-
TOTAL	2,657,992	2,541,854	2,708,971

TOWN OF PROSPER

DEPARTMENT:	DIVISION:
Engineering	

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Administrative Assistant	0.50	0.50	0.50
Assistant Director of Engineering Services - Capital Projects	1.00	1.00	1.00
Assistant Director of Engineering Services - Development	1.00	1.00	1.00
CIP Facilitator	1.00	1.00	1.00
CIP Program Manager	1.00	1.00	1.00
Civil Engineer	2.00	2.00	2.00
Construction Superintendent	3.00	3.00	3.00
Director of Engineering Services	1.00	1.00	1.00
Engineering Technician	2.00	2.00	2.00
Assistant Town Manager	1.00	1.00	1.00
Senior Engineer	3.00	3.00	3.00
Senior Traffic Engineer	-	1.00	1.00
TOTAL	16.50	17.50	17.50





UTILITY FUNDS



Utility Funds Description

The Water and Wastewater Fund accounts for all costs in providing water and wastewater services to residential and commercial utility customers. The operations necessary to provide such services include Administration, Debt Services, Water Purchases, and the treatment of wastewater. The operations of the Water and Wastewater Fund are financed and operated in a manner similar to a private business enterprise where expenses (including depreciation) of providing services are recovered primarily through user charges.

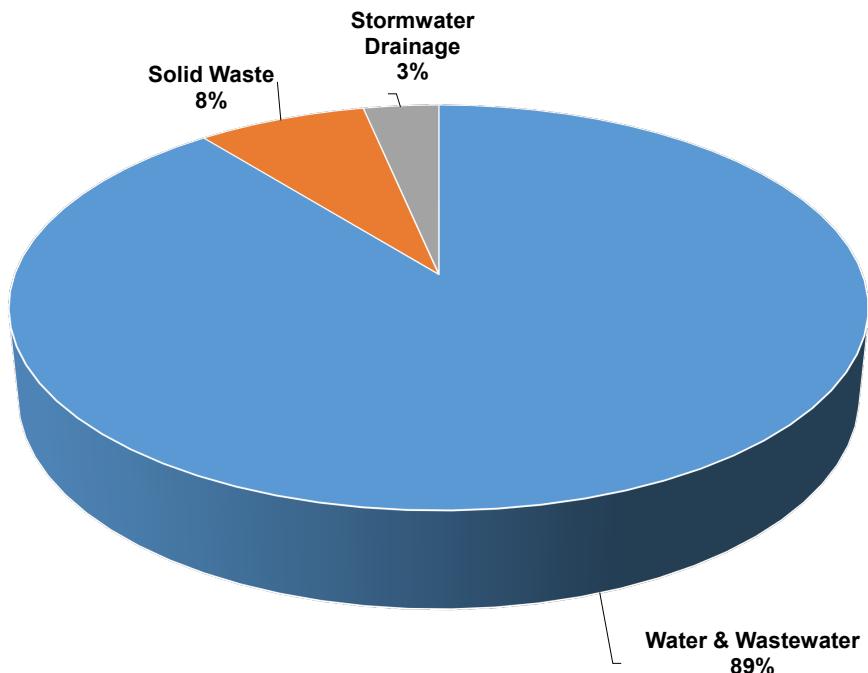
The Solid Waste Fund accounts for all costs in providing solid waste services to residential and commercial customers. The operations necessary to provide such services include Administration and Trash Collection Services. The operations of the Solid Waste Fund are financed and operated in a manner similar to a private business enterprise where expenses (including depreciation) of providing services are recovered primarily through user charges.

The Town's Stormwater Drainage Division is managed in a coordinated fashion by both the Town's Engineering and Public Works Departments. Engineering selects consultants and contractors to design and construct major repairs and improvements to the Town's stormwater systems, and reviews flood studies and drainage plans to ensure conformance with Federal, State and Town codes. Public Works' stormwater and drainage crews maintain all improved and unimproved drainage facilities within the Town to ensure the free flow of stormwater and to minimize the probability of structure flooding. The Stormwater Drainage Division also administers the Phase II Municipal Separate Stormwater System (MS4) Permit by implementing and managing programs to improve water quality in accordance with regulatory requirements through public education, eliminating illicit discharges, and control of construction site runoff.

An annual cash transfer from the Utility Funds to the General Fund is made for payment of administrative overhead costs incurred. Administrative services, such as operations management, financial management, purchasing, and payroll are included in this overhead charge.

Utility Funds Revenues
By Source

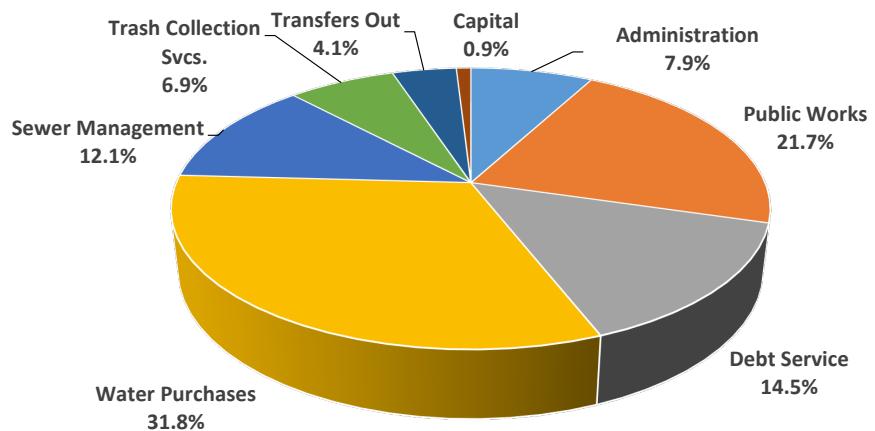
Revenue Category	Water & Wastewater	Solid Waste	Stormwater Drainage
Charges for Services	45,895,991	3,938,626	1,726,111
License, Fees & Permits	193,000	-	-
Penalties	205,500	-	-
Investment Income	350,000	3,500	8,000
Miscellaneous	691,700	-	25,000
Revenue Total	\$ 47,336,191	\$ 3,942,126	\$ 1,759,111



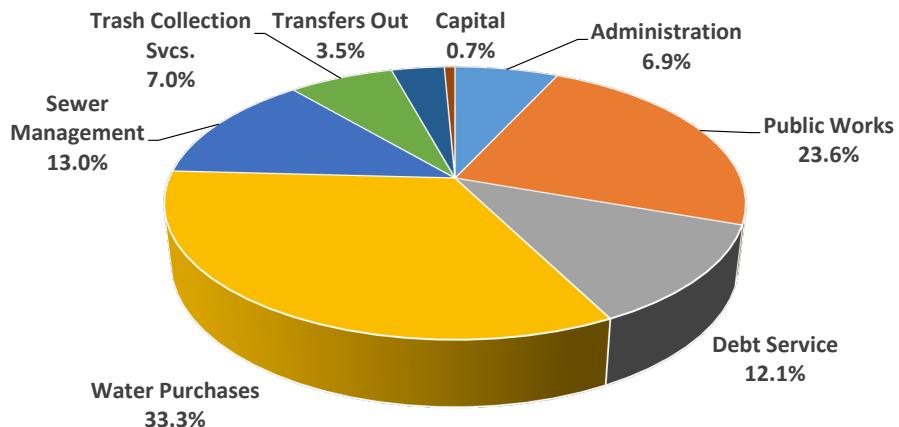
Utility Funds Appropriations By Department

Category	FY 2026 Adopted	% of Total
Administration	3,921,390	7.9%
Public Works	10,776,413	21.7%
Debt Service	7,227,903	14.5%
Water Purchases	15,819,798	31.8%
Sewer Management	6,035,065	12.1%
Trash Collection Svcs.	3,445,196	6.9%
Transfers Out	2,055,658	4.1%
Capital	467,374	0.9%
Appropriation Total	\$ 49,748,797	100.0%

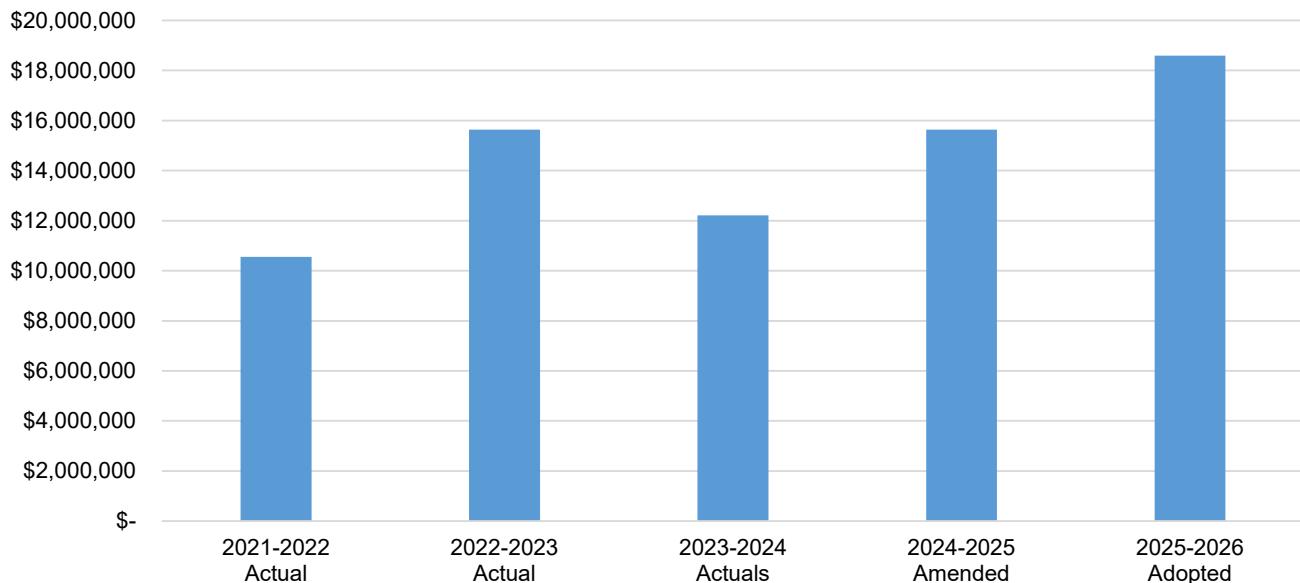
FY 2026 Preliminary - \$49,748,797



FY 2025 Amended - \$40,676,366



Water and Wastewater Fund Net Assets



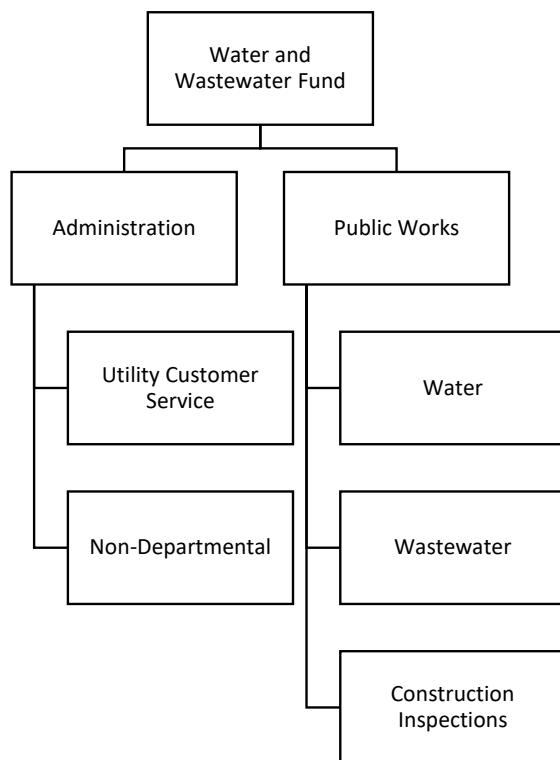
Fiscal Year	Days Over Minimum Reserve	Value of Each Day	%
2020-2021	171	\$ 76,857	47.63%
2021-2022	112	\$ 94,564	31.01%
2022-2023	179	\$ 87,244	44.60%
2023-2024	160	\$ 76,326	37.96%
2024-2025	179	\$ 87,244	44.60%
2025-2026	180	\$ 103,095	43.71%

The Town shall strive to maintain a minimum ending working capital balance (current assets minus current liabilities) of at least twenty-five percent (25%) of budgeted non-capital expenditures for each of the proprietary funds. Net assets fluctuate based on user based charges and one-time capital needs, while maintaining a minimum working capital.

Water and Wastewater Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030
REVENUES	Water Charges for Services	21,248,246	24,478,951	24,478,951	27,821,398	31,507,624	35,474,893	39,631,342	42,942,653
	Wastewater Charges for Services	11,436,813	13,568,257	13,568,257	18,074,593	21,770,494	25,782,505	27,692,745	33,175,176
	License, Fees & Permits	470,004	377,705	425,966	193,000	199,000	205,000	211,000	217,000
	Water Penalties	234,715	186,900	214,083	205,500	205,500	205,500	205,500	205,500
	Investment Income	1,627,438	450,000	450,000	350,000	350,000	350,000	350,000	350,000
	Other	826,621	579,190	579,190	691,700	768,359	848,076	932,884	1,006,250
	TOTAL REVENUES	\$ 35,843,838	\$ 39,641,003	\$ 39,716,447	\$ 47,336,191	\$ 54,800,977	\$ 62,865,974	\$ 69,023,471	\$ 77,896,579
EXPENDITURES	Administration	708,811	1,072,687	1,072,687	996,176	1,008,204	1,026,563	1,045,489	1,061,604
	Debt Service	5,498,790	4,443,033	4,443,033	6,750,064	6,298,407	6,298,325	6,292,788	6,193,848
	Franchise Fee Expense	990,801	1,136,854	1,136,854	2,172,380	2,393,844	2,633,222	2,815,223	3,110,720
	Water Purchases	12,567,118	13,563,295	13,563,295	15,819,798	18,874,794	22,793,422	26,437,938	29,974,268
	Sewer Management Fees	4,924,570	5,270,599	5,270,599	6,035,065	7,652,270	8,312,133	9,179,678	9,849,339
	Public Works	7,484,128	9,601,940	9,582,340	10,776,413	10,796,408	10,987,818	11,174,811	11,372,559
	TOTAL EXPENDITURES	\$ 32,174,218	\$ 35,088,408	\$ 35,068,808	\$ 42,549,896	\$ 47,023,927	\$ 52,051,483	\$ 56,945,927	\$ 61,562,338
	Net Income (Loss)	\$ 3,669,620	\$ 4,552,595	\$ 4,647,639	\$ 4,786,295	\$ 7,777,050	\$ 10,814,491	\$ 12,077,544	\$ 16,334,241
OTHER FINANCING	Transfers In	2,093,694	-	-	-	-	-	-	-
	Transfers Out	(11,372,517)	-	-	-	-	-	-	-
	Transfer Out G&A	(1,183,707)	(1,218,340)	(1,218,340)	(1,829,753)	1,829,753	1,829,753	1,829,753	1,829,753
	TOTAL OTHER FINANCING SOURCES (USES)	\$ (10,462,530)	\$ (1,218,340)	\$ (1,218,340)	\$ (1,829,753)	\$ 1,829,753	\$ 1,829,753	\$ 1,829,753	\$ 1,829,753
CHANGE IN FUND BALANCE		\$ (6,792,910)	\$ 3,334,255	\$ 3,429,299	\$ 2,956,542	\$ 9,606,803	\$ 12,644,244	\$ 13,907,297	\$ 18,163,994
BEGINNING FUND BALANCE		\$ 19,005,386	\$ 10,142,334	\$ 12,212,476	\$ 15,641,775	\$ 18,598,317	\$ 28,205,120	\$ 40,849,364	\$ 54,756,661
ENDING FUND BALANCE		\$ 12,212,476	\$ 13,476,589	\$ 15,641,775	\$ 18,598,317	\$ 28,205,120	\$ 40,849,364	\$ 54,756,661	\$ 72,920,655
1.25 times Debt Service Reserve Limit		1.45	1.75	1.77	1.44	2.53	3.01	3.21	3.93
AMOUNT OVER (UNDER) IN DAYS OPERATING COST		160	154	179	180	265	339	409	497
Fund balance policy 25%		38%	38%	45%	44%	60%	78%	96%	118%

Water and Wastewater Fund Overview



TOWN OF PROSPER

DEPARTMENT:

Administration

DIVISION:

Utility Customer Service

PROGRAM DESCRIPTION

Provide accurate monthly billing to Prosper residents and businesses for water, wastewater, solid waste, and recycling services. This department is also responsible for initiating, transferring, and terminating services, processing adjustment requests, winter average adjustment, account maintenance, and the processing of work orders and collection services. This includes posting payments to customer's account, organizing the annual Spring Clean Up and participating in the New Residential event every 6 months.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Provide first rate utility customer service. - (SVP 4)
- Customer Service Representative will have all necessary information on hand to answer and meet our customer's needs. - (SVP 4)
- Keep accurate records of all water, wastewater, and solid waste accounts billed for the Town of Prosper. - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Create/process work orders (annually)	22,241	23,000	24,000
Average payments by auto draft (monthly)	4,370	6,500	7,500
Average payments by credit card draft (monthly)	940	1,150	1,250
Online payments (annually)	24,113	25,125	25,600
Lockbox payments (monthly)	2,473	2,441	2,450
New connects (annually)	3,125	2,971	3,100
Disconnections for non-payment (annually)	650	660	600
Number of customers billed (monthly average)	13,340	14,500	16,000

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Manually entered utility billing payments without errors	100%	100%	100%
Utility bills created before the 20th of each month	100%	100%	100%
Disconnections at beginning of month (30 days past due)	0.01%	0.01%	0.01%

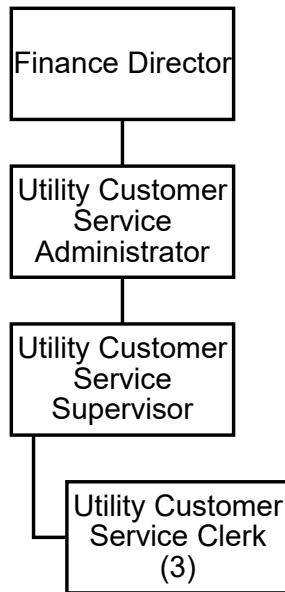
TOWN OF PROSPER

DEPARTMENT:
Administration

DIVISION:
Utility Customer Service

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	115,042	135,839	450,499
Operations	403,321	303,880	179,544
Transfers	56,235	53,557	-
VERF Charges for Services	2,594	1,825	-
TOTAL	577,192	495,101	630,043

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Utility Customer Service Administrator	1.00	1.00	1.00
Utility Customer Service Supervisor	1.00	1.00	1.00
Utility Customer Service Clerk	3.00	3.00	3.00
TOTAL	5.00	5.00	5.00



TOWN OF PROSPER

DEPARTMENT:

Administration

DIVISION:

Non-Departmental

PROGRAM DESCRIPTION

The Non-Departmental budget supports the Town's property insurance, a franchise fee paid to the General Fund for cost of administrative services, and the debt service payments for the Water and Sewer fund. Projected salary savings for the Water and Sewer Fund are also accounted for in this division.

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel/(Projected Fund Salary Savings)	426,254	412,300	163,810
Operations	752,402	1,355,697	2,374,703
Transfers	1,001,877	-	1,829,753
Debt	5,149,604	6,752,544	8,312,666
Bond Issuance	349,186	880	880
TOTAL	7,679,323	8,521,421	12,681,812

TOWN OF PROSPER

DEPARTMENT:

Public Works

DIVISION:

Water

PROGRAM DESCRIPTION

The Water Division is responsible for the operation, repair, and maintenance of all water lines, meters, valves, and fire hydrants. The Division performs daily water sampling required by the Texas Commission of Environmental Quality (TCEQ) to maintain a superior water quality rating for the Prosper community and residents. The Town of Prosper purchases treated water from North Texas Municipal Water District (NTMWD). The water is stored in two ground storage tanks and three elevated storage tanks until it is pumped through pipes to customers. The Prosper Water Education program involves a combination of water use reduction strategies. Initiatives of the program include workshops and training opportunities for homeowners.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Retain a top quality workforce with competitive compensation. - (SVP 4)
- Operate under an organizational culture that values innovation, productivity, responsibility, and accountability that empowers managers and employees. - (SVP 4)
- Provide a "Superior Quality" rate water system. - (SVP 4)
- Provide timely maintenance of water system by inspecting and repairing 50% of all fire hydrants annually - (SVP 4)
- Maintain efficient meter reading by completing repairs as needed. - (SVP 4)
- Offer free educational opportunities, including Sprinkler Evaluations, plant life education, and irrigation education to our residents for water conservation. - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Work order total	13,438	14,781	16,259
Overall water consumption (gallons per capita per day)	240	226	226
Surface water pumped (in millions)	5,357	3,593	3,952
Water flushed in million gallons	458	539	592

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Provide Superior Water System rating from TCEQ	100%	100%	100%
Maintain TCEQ mandated water sampling and testing	100%	100%	100%
Reduce the total time to repair water leaks to less than 5 hours and respond to leaks within 30 minutes of initial contact	98%	98%	98%
Maintain the total unaccounted water under 12%	8.6%	15.0%	15.0%

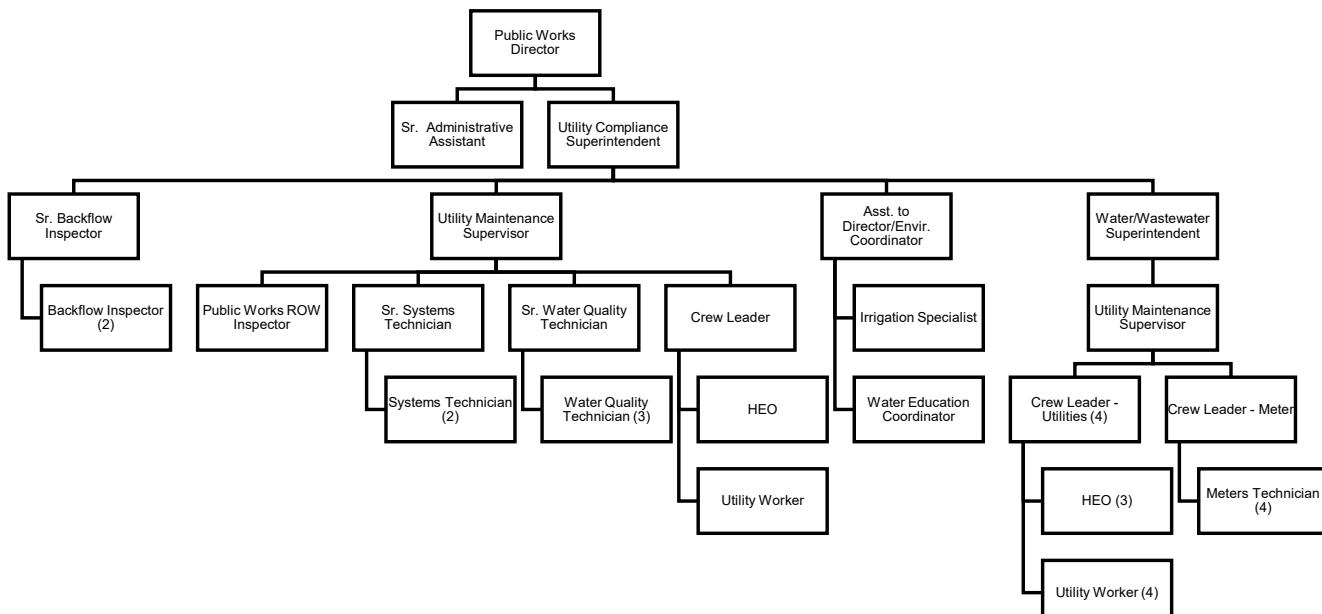
TOWN OF PROSPER

DEPARTMENT:
Public Works

DIVISION:
Water

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	2,732,368	3,136,322	3,807,698
Operations	14,573,815	16,601,903	19,177,830
Capital	2,000,000	124,505	130,688
Transfers	2,849,946	900,473	1,829,753
TOTAL	22,156,129	20,763,203	24,945,969

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Administrative Assistant	1.00	-	-
Backflow Inspector	2.00	2.00	2.00
Crew Leader	4.00	5.00	5.00
Director of Public Works	1.00	1.00	1.00
Environmental Coordinator/Assistant to Director	1.00	1.00	1.00
Heavy Equipment Operator	3.00	4.00	4.00
Irrigation Specialist	1.00	1.00	1.00
Meters Technician	-	4.00	4.00
Public Works Right-Of-Way Inspector	1.00	1.00	1.00
Senior Administrative Assistant	-	1.00	1.00
Senior Backflow Inspector	1.00	1.00	1.00
Senior Systems Technician	1.00	1.00	1.00
Senior Water Quality Technician	1.00	1.00	1.00
Systems Technician	1.00	1.00	2.00
Utility Compliance Superintendent	-	-	1.00
Utility Maintenance Supervisor	2.00	2.00	2.00
Utility Worker	7.00	8.00	8.00
Water and Wastewater Superintendent	1.00	1.00	1.00
Water Education Coordinator	1.00	1.00	1.00
Water Quality Technician	3.00	3.00	3.00
TOTAL	32.00	39.00	41.00



TOWN OF PROSPER

DEPARTMENT:

Public Works

DIVISION:

Wastewater

PROGRAM DESCRIPTION

The Wastewater Division is responsible for the collection of wastewater and its transmission to the wastewater treatment plants. This service includes the operation, maintenance, and repair of all wastewater lines, manholes, and lift stations connected to the system. North Texas Municipal Water District (NTMWD) and Upper Trinity Regional Water District (UTRWD) operate the wastewater treatment plants. The Prosper Fats, Oils, and Grease (FOG) Program involves the inspection of grease traps and the education of residents and businesses connected to our wastewater collection system. Initiatives of the program include educational materials, one-on-one interaction, and best management practices for business owners. Public Works Inspections include inspections of all infrastructure for private development prior to acceptance and Certificate of Occupancy issuance.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Retain a top quality workforce with competitive compensation. - (SVP 4)
- Operate under an organizational culture that values innovation, productivity, responsibility, and accountability that empowers managers and employees. - (SVP 4)
- Reduce the number of Sanitary System Overflows (SSO) to less than five every year. - (SVP 4)
- Implement FOG policies to reduce SSO's and provide programs for citizen awareness. - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL 2023-2024	REVISED 2024-2025	BUDGET 2025-2026
Public works inspections	2,301	1,950	1,600
Feet of wastewater lines inspected by camera	184,536	176,006	200,000
Work Orders/ Inspections/ Line Locates	2,965	3,000	3,200
Sanitary System Overflows (SSO)	5	2	-
Fats, Oils, and Grease (FOG) Inspections	770	791	857

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL 2023-2024	REVISED 2024-2025	BUDGET 2025-2026
Clean and camera 10% of the wastewater collection system	100%	100%	100%
Minimize reportable wastewater discharges to TCEQ	100%	100%	100%

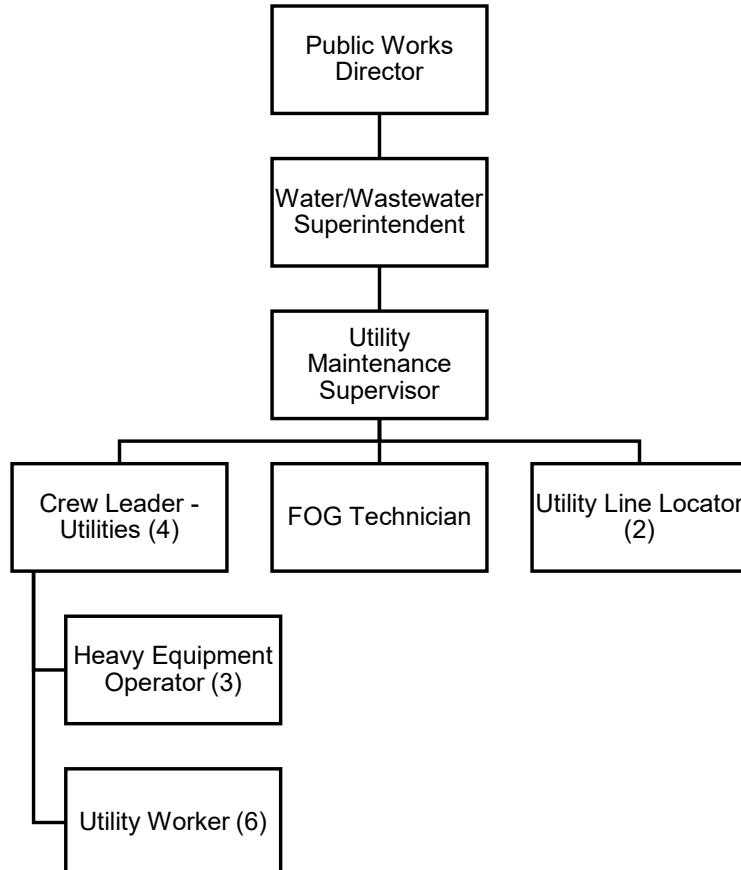
TOWN OF PROSPER

DEPARTMENT:
Public Works

DIVISION:
Wastewater

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	961,731	1,301,329	1,480,428
Operations	5,987,576	6,588,750	7,367,171
Transfers	752,526	264,310	-
TOTAL	7,701,833	8,154,389	8,847,599

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Crew Leader	4.00	4.00	4.00
FOG Technician	1.00	1.00	1.00
Heavy Equipment Operator	3.00	3.00	3.00
Utility Line Locator	2.00	2.00	2.00
Utility Maintenance Supervisor	1.00	1.00	1.00
Utility Worker	6.00	6.00	6.00
TOTAL	17.00	17.00	17.00



TOWN OF PROSPER

DEPARTMENT:

Engineering

DIVISION:

Construction Inspections

PROGRAM DESCRIPTION

The Construction Inspection Division conducts inspections of all public infrastructure for private development and assists with capital improvement projects for general conformance with Town standards. The division also oversees right-of-way permitting and right-of-way inspections of private franchise utility construction

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Process Right-of-way (ROW) permits within 5 working days. - (SVP 1)
- Respond to contractors request for information within 3 working days. - (SVP 4)
- Conduct private development inspections within 24 hours of request. - (SVP 4)
- Infrastructure mapped before or during final walk. - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL 2023-2024	REVISED 2024-2025	BUDGET 2025-2026
Conduct and document daily inspections of all private development and Town infrastructure improvements*	13,200	13,200	13,200
Pre-construction meetings held	40	20	30
Final Acceptance Certificates issued	34	30	30
Active Projects	54	60	50
ROW permits issued	3,446	2,500	3,000
Conduct ROW permitted inspections for private franchise utilities	6,000	6,000	6,000

*Estimated based on (15 inspections per day per inspector x 250 days) x 3.5 + (10 weekend inspections x 40 days x 1 inspector

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL 2023-2024	REVISED 2024-2025	BUDGET 2025-2026
Respond to contractors request for information within 3 working days	100%	100%	100%
Conduct private development inspections within 24 hours of request	90%	95%	95%
Process ROW permits within 5 working days	95%	95%	95%
Infrastructure mapped on GPS before or during final walk	0%	0%	0%

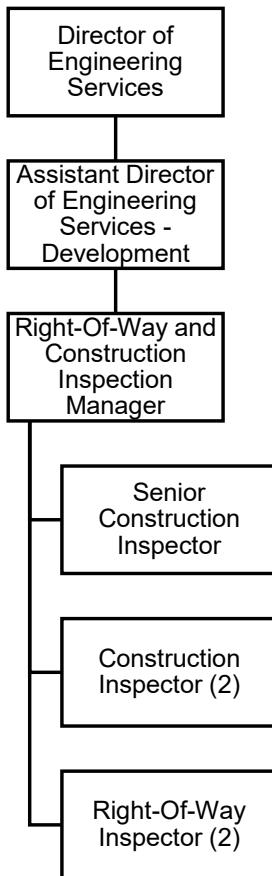
TOWN OF PROSPER

DEPARTMENT:
Engineering

DIVISION:
Construction Inspections

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	557,703	605,681	617,806
Operations	100,549	57,744	76,655
TOTAL	658,252	663,425	694,461

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Right-Of-Way and Construction Inspection Manager	1.00	1.00	1.00
Senior Construction Inspector	1.00	1.00	1.00
Construction Inspector	2.00	2.00	2.00
Right-Of-Way Inspector	2.00	2.00	2.00
TOTAL	6.00	6.00	6.00



Solid Waste Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030
REVENUES	Sanitation Charges for Services	2,961,117	3,295,173	3,295,173	3,938,626	4,153,186	4,367,746	4,582,306	4,796,866
	Investment Income	6,762	4,500	6,135	3,500	3,500	3,500	3,500	3,500
	TOTAL REVENUES	\$ 2,967,879	\$ 3,299,673	\$ 3,301,308	\$ 3,942,126	\$ 4,156,686	\$ 4,371,246	\$ 4,585,806	\$ 4,800,366
EXPENDITURES	Trash Collection Services	2,717,717	2,830,789	2,830,789	3,445,196	3,632,876	3,820,556	4,008,236	4,195,916
	Debt Service	137,500	257,501	257,501	257,501	257,500	257,500	257,501	257,501
	Administration	66,243	66,753	66,753	75,588	77,044	79,197	81,416	83,700
	TOTAL EXPENDITURES	\$ 2,921,460	\$ 3,155,043	\$ 3,155,043	\$ 3,778,285	\$ 3,967,420	\$ 4,157,253	\$ 4,347,153	\$ 4,537,117
	<i>Period Excess / (Deficit)</i>	<i>\$ 46,419</i>	<i>\$ 144,630</i>	<i>\$ 146,265</i>	<i>\$ 163,841</i>	<i>\$ 189,266</i>	<i>\$ 213,993</i>	<i>\$ 238,653</i>	<i>\$ 263,249</i>
OTHER FINANCING	Transfers Out	-	(30,000)	(30,000)	(195,951)	(195,951)	(195,951)	(195,951)	(195,951)
	TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ (30,000)	\$ (30,000)	\$ (195,951)	\$ (195,951)	\$ (195,951)	\$ (195,951)	\$ (195,951)
	NET CHANGE IN FUND BALANCE	\$ 46,419	\$ 114,630	\$ 116,265	\$ (32,110)	\$ (6,685)	\$ 18,042	\$ 42,702	\$ 67,298
	BEGINNING FUND BALANCE	\$ 5,984	\$ 177,281	\$ 52,403	\$ 168,668	\$ 136,558	\$ 129,873	\$ 147,915	\$ 190,617
	ENDING FUND BALANCE	\$ 52,403	\$ 291,911	\$ 168,668	\$ 136,558	\$ 129,873	\$ 147,915	\$ 190,617	\$ 257,915
	Amount Above/(Below) Fund Balance Reserve of \$250,000	\$ (197,597)	\$ 41,911	\$ (81,332)	\$ (113,442)	\$ (120,127)	\$ (102,085)	\$ (59,383)	\$ 7,915

TOWN OF PROSPER

DEPARTMENT:

Administration

DIVISION:

Solid Waste

PROGRAM DESCRIPTION

Provide accurate monthly billing to Prosper residents and businesses for solid waste and recycling services. Coordinate the ordering and delivery of new trash and recycle carts for residents moving into the Town of Prosper. Collaborate with Republic Services to ensure timely and consistent servicing of all residential and commercial trash/recycle carts. Process new service requests and final work orders for solid waste and recycling accounts. Participate in the annual Spring Clean event, assisting with logistics and resident engagement. Monitor Republic Services' performance to ensure fulfillment of all contractual obligations with the Town of Prosper.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Provide first rate utility customer service. - (SVP 4)
- Customer Service Representative will have all necessary information on hand to answer and meet our customer's needs. - (SVP 4)
- Keep accurate records of all water, wastewater, and solid waste accounts billed for the Town of Prosper. - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL 2023-2024	ACTUAL	REVISED	BUDGET
		2024-2025	2025-2026	
Create/process work orders on complaints for miss pickups (annually)	320	330	330	
Average payments by auto draft (monthly)	4,370	6,500	7,500	
Average payments by credit card draft (monthly)	940	1,150	1,250	
Online payments (annually)	24,113	25,125	25,600	
Lockbox payments (monthly)	2,473	2,441	2,450	
New connects (annually)	3,125	2,971	3,100	
Number of customers billed (monthly average)	13,340	14,500	16,000	

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL 2023-2024	ACTUAL	REVISED	BUDGET
		2024-2025	2025-2026	
Manually entered utility billing payments without errors	100%	100%	100%	
Utility bills created before the 20th of each month	100%	100%	100%	

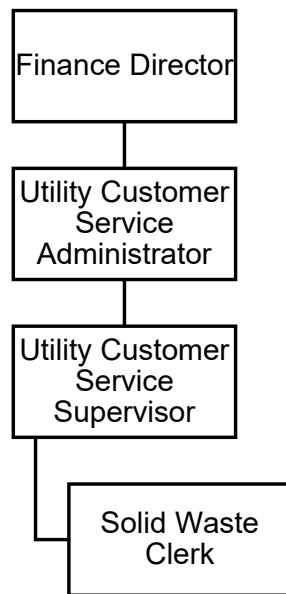
TOWN OF PROSPER

DEPARTMENT:
Administration

DIVISION:
Solid Waste

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	60,207	63,733	71,668
Operations	2,723,753	2,863,809	3,479,116
Debt	137,500	257,501	257,501
Transfers	-	-	165,951
TOTAL	2,921,460	3,185,043	3,974,236

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Solid Waste Clerk	1.00	1.00	1.00
TOTAL	1.00	1.00	1.00



Stormwater Drainage Utility Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030
REVENUES	Stormwater Drainage Fees	940,739	950,000	988,440	1,726,111	1,933,244	2,165,234	2,316,800	2,386,304
	Other	3,150	3,500	3,500	25,000	25,000	25,000	25,000	25,000
	Transfer In	16,883	-	-	-	-	-	-	-
	Investment Income	23,145	8,000	8,000	8,000	8,000	8,000	8,000	8,000
	TOTAL REVENUES	\$ 983,916	\$ 961,500	\$ 999,940	\$ 1,759,111	\$ 1,966,244	\$ 2,198,234	\$ 2,349,800	\$ 2,419,304
EXPENDITURES	Operating Expenses	374,128	524,949	518,499	677,246	697,563	718,490	740,045	762,246
	Debt Service	231,944	215,263	215,263	220,338	215,263	220,338	219,338	218,113
	Capital	575,596	288,750	288,750	467,374	225,000	225,000	225,000	225,000
	Transfers Out	113,395	157,996	181,663	29,954	30,853	31,778	32,732	33,713
	TOTAL EXPENDITURES	\$ 1,295,063	\$ 1,186,958	\$ 1,204,175	\$ 1,394,912	\$ 1,168,679	\$ 1,195,607	\$ 1,217,115	\$ 1,239,073
	<i>Period Excess / (Deficit)</i>	<i>\$ (311,147)</i>	<i>\$ (225,458)</i>	<i>\$ (204,235)</i>	<i>\$ 364,199</i>	<i>\$ 797,565</i>	<i>\$ 1,002,627</i>	<i>\$ 1,132,685</i>	<i>\$ 1,180,231</i>
NET CHANGE IN FUND BALANCE		\$ (311,147)	\$ (225,458)	\$ (204,235)	\$ 364,199	\$ 797,565	\$ 1,002,627	\$ 1,132,685	\$ 1,180,231
BEGINNING FUND BALANCE		\$ 593,296	\$ 702,594	\$ 251,393	\$ 47,158	\$ 411,357	\$ 1,208,922	\$ 2,211,549	\$ 3,344,235
ENDING FUND BALANCE		\$ 251,393	\$ 477,136	\$ 47,158	\$ 411,357	\$ 1,208,922	\$ 2,211,549	\$ 3,344,235	\$ 4,524,466
AMOUNT OVER (UNDER) IN DAYS OPERATING COST		70	145	14	106	372	666	989	1,315
Fund Balance Policy 17%		21%	46%	5%	30%	106%	190%	282%	375%

TOWN OF PROSPER

DEPARTMENT:
Engineering

DIVISION:
Administration - Stormwater

PROGRAM DESCRIPTION

The core service of the Stormwater Drainage Division is to ensure compliance with the Phase II Municipal Separate Storm Sewer System (MS4) Permit by implementing and managing programs to improve water quality in accordance with regulator requirements, through public education, by eliminating illicit discharges, and rigorous construction site runoff control.

ALIGNMENT TO TOWN COUNCIL'S VISIONING PRIORITIES AND OBJECTIVES

- Inspect new development construction projects within the Town's jurisdiction monthly to verify compliance with TCEQ. - (SVP 4)
- Inspect and provide annual (educational) audits for drainage facilities to HOA's. - (SVP 4)

ACTIVITY DEMAND / ACTIVITY WORKLOAD	ACTUAL 2023-2024	REVISED 2024-2025	BUDGET
			2025-2026
New development construction projects, post-construction BMP's, FOG facilities, and residents complaints within the Town's jurisdiction to verify compliance with TCEQ Stormwater requirements	176	180	200
Home Building Inspections (per individual lots)	7,173	5,000	6,000
Number of developments requiring annual post-construction BMP audits	55	63	70
Hours spent on education part of Stormwater program	88	75	80
Hours spent on post-construction BMP audits and coordinator with HOA's on remedies	80	80	95
Complete Annual MS4 permit update/Ensure that MS4 paperwork is in order	Annually	Annually	Annually

EFFICIENCY / EFFECTIVENESS MEASURES	ACTUAL 2023-2024	REVISED 2024-2025	BUDGET
			2025-2026
Inspect new development construction projects within the Town's jurisdiction monthly to verify compliance with TCEQ Stormwater requirements	100%	100%	100%
Inspect and provide annual (educational) audits for drainage facilities to HOA's	80%	80%	95%
Home Building lots in compliance	75%	80%	95%

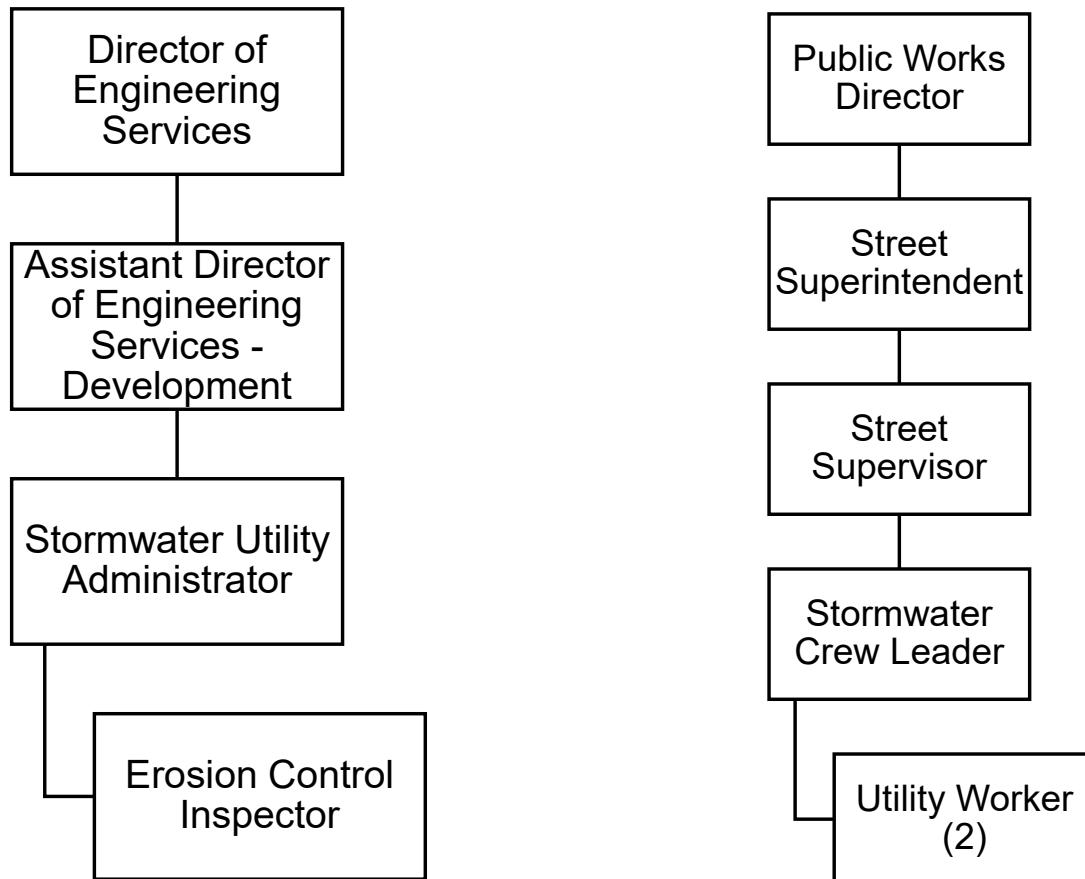
TOWN OF PROSPER

DEPARTMENT:
Engineering

DIVISION:
Administration - Stormwater

EXPENDITURE SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Personnel	189,826	329,605	426,032
Operations	27,041	106,498	99,117
Capital	62,230	263,240	160,438
Transfers	107,996	110,024	107,996
Debt Service	109,459	219,463	215,263
VERF Charges for Service	5,830	6,455	-
TOTAL	502,382	1,035,285	1,008,846

PERSONNEL SUMMARY	ACTUAL	REVISED	BUDGET
	2023-2024	2024-2025	2025-2026
Erosion Control Inspector	-	1.00	1.00
Stormwater Crew Leader	-	-	1.00
Stormwater Utility Administrator	1.00	1.00	1.00
Utility Worker	1.00	2.00	2.00
TOTAL	2.00	4.00	5.00







DEBT SERVICE FUNDS



Debt Service Fund Description

The Debt Service Fund accounts for the accumulation of resources and the payment of general long-term debt principal and interest. General Obligation Bonds and Certificates of Obligation are issued to finance major improvements for the construction of streets, parks, libraries, recreation centers, fire stations, police stations, and other general governmental improvements. Property taxes are the principal source of revenue in the Debt Service Fund. The tax rate allocation for the Debt Service Fund is \$0.182946, which is 36.2% of the fiscal year 2026 tax rate (\$0.505). The purpose of this fund is to retire outstanding general obligation bond and pay interest on the indebtedness.

Debt Service Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030
REVENUES	Property Tax	15,429,085	18,228,251	18,241,765	20,799,204	22,335,374	24,263,342	26,144,748	27,860,342
	Investment Income	251,540	195,000	195,000	145,000	145,000	145,000	145,000	145,000
	TOTAL REVENUES	\$ 15,680,625	\$ 18,423,251	\$ 18,436,765	\$ 20,944,204	\$ 22,480,374	\$ 24,408,342	\$ 26,289,748	\$ 28,005,342
EXPENDITURES	Principal	8,885,722	8,640,966	8,640,966	9,488,512	8,632,894	9,055,313	9,496,469	10,190,097
	Interest	6,842,143	6,663,697	6,663,697	8,506,816	8,082,431	7,565,681	7,020,388	6,473,049
	Debt Service on Future Issuance	-	3,518,892	3,518,892	3,150,000	4,843,240	7,321,040	10,476,760	11,342,560
	Administrative Fees	10,049	20,000	20,000	20,000	20,000	20,000	20,000	20,000
	TOTAL EXPENDITURES	\$ 15,737,914	\$ 18,843,555	\$ 18,843,555	\$ 21,165,328	\$ 21,578,565	\$ 23,962,034	\$ 27,013,617	\$ 28,025,706
	<i>Period Excess / (Deficit)</i>	<i>\$ (57,288)</i>	<i>\$ (420,304)</i>	<i>\$ (406,790)</i>	<i>\$ (221,124)</i>	<i>\$ 901,809</i>	<i>\$ 446,308</i>	<i>\$ (723,869)</i>	<i>\$ (20,364)</i>
NET CHANGE IN FUND BALANCE		\$ (57,288)	\$ (420,304)	\$ (406,790)	\$ (221,124)	\$ 901,809	\$ 446,308	\$ (723,869)	\$ (20,364)
BEGINNING FUND BALANCE		\$ 1,302,520	\$ 1,363,680	\$ 1,245,232	\$ 838,442	\$ 617,318	\$ 1,519,127	\$ 1,965,435	\$ 1,241,566
ENDING FUND BALANCE		\$ 1,245,232	\$ 943,376	\$ 838,442	\$ 617,318	\$ 1,519,127	\$ 1,965,435	\$ 1,241,566	\$ 1,221,202
Debt Reserve Policy 3-5% of Annual Debt Service		8%	5%	4%	3%	7%	8%	5%	4%

Projection of Debt Margin Based on Town Policy

	Actual Position as of FYE 9.30.2024	Projected Position as of FYE 9.30.2025	Projected Position as of FYE 9.30.2026	Projected Position as of FYE 9.30.2027	Projected Position as of FYE 9.30.2028	Projected Position as of FYE 9.30.2029
1. Assessed Value of taxable property	\$ 8,335,296,679 <i>(certified)</i>	\$ 9,622,101,595 <i>(certified)</i>	\$ 10,806,491,907 <i>(certified)</i>	\$ 11,773,632,209 <i>(projected)</i>	\$ 12,749,481,798 <i>(projected)</i>	\$ 13,683,901,155 <i>(projected)</i>
2. Freeze Assessed Value Equivalent	\$ 150,728,256	\$ 176,987,350	\$ 209,112,774	\$ 235,251,871	\$ 258,777,058	\$ 284,654,764
3. Town's Target (4% limit)	\$ 339,440,997	\$ 391,963,558	\$ 440,624,187	\$ 480,355,363	\$ 520,330,354	\$ 558,742,237
Unreserved Debt Capacity	\$ 339,440,997	\$ 391,963,558	\$ 440,624,187	\$ 480,355,363	\$ 520,330,354	\$ 558,742,237
4. Beginning Outstanding Debt	\$ 178,910,618	\$ 203,949,897	\$ 211,120,434	\$ 223,681,922	\$ 236,340,924	\$ 246,821,827
Less: Total Principal Payment	(8,885,722)	(12,279,463)	(12,638,512)	(11,335,998)	(12,458,002)	(13,585,555)
5. Authorized Proposed Issues	36,407,062	19,450,000	25,200,000	12,550,000	5,784,905	-
6. Future Proposed Issues	-	-	-	11,445,000	17,154,000	32,605,000
Total Debt Subject to Limit	\$ 206,431,958	\$ 211,120,434	\$ 223,681,922	\$ 236,340,924	\$ 246,821,827	\$ 265,841,272
7. Available Unreserved Debt Capacity (\$)	\$ 133,009,039	\$ 180,843,124	\$ 216,942,265	\$ 244,014,439	\$ 273,508,527	\$ 292,900,964
8. Available Unreserved Debt Capacity (%)	39.18%	46.14%	49.24%	50.80%	52.56%	52.42%
9. I&S Tax Rate	0.17726	0.180392	0.182946	0.18295	0.18295	0.18295
10. Town's target of 40% or less of Total Tax Rate	34.8%	35.7%	36.2%	36.2%	36.2%	36.2%
11. Outstanding Debt as a percentage of Assessed Value (4% or less)	2.4%	2.2%	2.0%	2.0%	1.9%	1.9%

Notes:

1. Total Assessed valuation growth assumption is 11.75% in FY 2026, 9.49% in FY2027, 8.29% in FY2028, and 7.33% in FY2029.
2. The Freeze Assessed Value Equivalent is the calculated valuation needed to generate the levy collected on frozen property.
3. Town debt policy limits total principal amount of GO bonds together with the principle amount of all other outstanding tax indebtedness will be targeted to not exceed four percent (4%) of the total assessed valuation of the Town's tax rolls.
4. Current outstanding debt subject to limit at fiscal year end includes all debt in which property taxes are pledged. Excludes debt issued for water, sewer, and drainage projects
5. Debt issues subject to limit proposed are part of the Capital Improvements Plan and are anticipated to be issued during the referenced fiscal year. Sizing includes estimated cost of issuance. Authorized in the 2020 Bond Election
6. Includes debt issues that are currently not authorized by the voters. A bond election is anticipated in November of 2025 to seek authorization.
7. Debt capacity available after deducting the reserved capacity in dollars.
8. Debt capacity available after deducting the reserved capacity in percentage.
9. Percentage of debt capacity available after deducting the reserved capacity.
10. Town's FY 2024 I&S tax rate and projected I&S rates are calculated based on 100% collections.
11. Percentage of overall total tax rate (\$0.505 - FYE 09.30.25 and beyond).
12. Outstanding Debt as a percentage of Total Assessed Value

BOND RATINGS

The Town has utilized two different rating agencies over the years - Moody's Investor Services and Standard and Poor's. Moody has assigned the Town's outstanding general obligation limited tax debt outlook as stable at Aa1 to the Town's \$8.535 million Combination Tax and Surplus Revenue Certificates of Obligation, Series 2023 and the Town's \$41.895 million General Obligation Refunding & Improvement Bonds, Series 2023. Standard and Poor's Global Ratings ("S&P") also assigned its rating of AA+ to the Town's 2023 Combination Tax and Surplus Revenue Certificates of Obligation and the Town's 2023 General Obligation Bonds. The Aa1 and AA+ ratings are the second highest ratings of each agency and reflect the Town's healthy financial position due to a rapidly expanding residential economy supported by significant ongoing development, and a growing and affluent population working in nearby employment centers. The chart below reflects ratings since June 2020.

Rating Entity	Prior Rating	Prior Rating Period	Current Rating
Standard & Poor's	AA+	August 2025	AA+
Fitch	AA+	August 2025	AAA
Standard & Poor's	AA+	August 2024	AA+
Fitch	No prior rating	August 2024	AA+
Standard & Poor's	AA+	August 2023	AA+
Moody's	Aa1	August 2023	Aa1
Standard & Poor's	AA+	September 2022	AA+
Moody's	Aa1	September 2022	Aa1
Standard & Poor's	AA+	August 2021	AA+
Moody's	Aa1	August 2021	Aa1

Debt Issuance Details

General Obligation Refunding and Improvement Bonds, Series 2014 (Moody's Rated "Aa2" and S&P Rated "AA") - The proceeds of this \$7.175M taxable issue will be used for (i) refunding a portion of the Town's outstanding debt; and (ii) design and land acquisition costs for Town fire stations and park improvements. The issue is 47% debt service fund related and 53% water and sewer fund related and was issued February 15, 2014, maturing February 15, 2034. Interest payable February 15 and August 15 at rates ranging from 2.0% to 5.0%.

Certificates of Obligation, Series 2014 (Moody's Rated "Aa2" and S&P Rated "AA") - The proceeds of this \$12.57M taxable issue will be used for (i) acquisition of sewage treatment capacity. The issue is 100% water and sewer fund related and was issued February 15, 2014, maturing February 15, 2034. Interest payable February 15 and August 15 at rates ranging from 2.0% to 4.0%.

General Obligation Refunding and Improvement Bonds, Series 2015 (Moody's Rated "Aa2" and S&P Rated "AA") - The proceeds of this \$16.135M taxable issue will be used for (i) refunding a portion of the Town's outstanding debt; (ii) improvements to streets and roads, bridges and intersections, and related infrastructure in the Town; (iii) to fund the construction and equipping of a fire station; and (iv) the acquisition and installation of a public safety radio system. The issue is 79% debt service fund related and 21% water and sewer fund related and was issued July 15, 2015, maturing February 15, 2035. Interest payable February 15 and August 15 at rates ranging from 2.0% to 5.0%.

Certificates of Obligation, Series 2015 (Moody's Rated "Aa2" and S&P Rated "AA") - The proceeds of this \$8.135M taxable issue will be used for (i) improvements to streets and roads, bridges and intersections, and related infrastructure in the Town; (ii) to fund the construction and equipping of a fire station; and (iii) the acquisition and installation of a public safety radio system. The issue is 100% debt service fund related and was issued July 15, 2015, maturing February 15, 2035. Interest payable February 15 and August 15 at rates ranging from 2.0% to 5.0%.

General Obligation Refunding and Improvement Bonds, Series 2016 (Moody's Rated "Aa2" and S&P Rated "AA") - The proceeds of this \$7.505M taxable issue will be used for (i) refunding a portion of the Town's outstanding debt; (ii) acquiring a site for, and designing a multi-purpose municipal facility to serve as Town Hall and for other municipal services, with any surplus bond proceeds to be used for the construction of such facility; (iii) designing, constructing, improving and equipping parks, trails and recreational facilities and a park administration facility, and the acquisition of land and interests in land for such purposes; and (iv) constructing, improving, extending, expanding, upgrading and developing streets and roads, bridges and intersections including utility relocation, landscaping, sidewalks, traffic safety and operational improvements, the purchase of any necessary rights-of-way, drainage and other related costs. The issue is 84% debt service fund related and 16% water and sewer fund related and was issued July 12, 2016, maturing February 15, 2036. Interest payable February 15 and August 15 at rates ranging from 2.0% to 4.0%.

Debt Issuance Details

Certificates of Obligation, Series 2016 (Moody's Rated "Aa2" and S&P Rated "AA") - The proceeds of this \$8.47M taxable issue will be used for (i) the construction and equipping of a multi-purpose municipal facility, (ii) the constructing, improving, extending, expanding, upgrading and developing parks and recreation facilities including fields, trails, utility relocation, landscaping, sidewalks, and operational improvements, installation of lighting, the purchase of any necessary rights-of-way, drainage and other related costs; and (iii) the constructing, improving, extending, expanding, upgrading, and developing storm drainage utility projects including utility relocation, landscaping, sidewalks, traffic safety and operation improvements, the purchase of necessary easements and the related costs. The issue is 84% debt service fund related and 16% stormwater drainage fund related and was issued July 12, 2016, maturing February 15, 2036. Interest payable February 15 and August 15 at rates ranging from 2.0% to 4.0%.

Certificates of Obligation, Series 2017 (Moody's Rated "Aa1" and S&P Rated "AA+") - The proceeds of this \$11.565M taxable issue will be used for (i) constructing and equipping of a facility to serve as Town Hall and to house other municipal offices; (ii) constructing, improving and developing parks and recreation facilities; and (iii) constructing and improving storm drainage utility projects in the Town. The issue is 91% debt service fund related and 9% stormwater drainage fund related and was issued June 27, 2017, maturing February 15, 2037. Interest payable February 15 and August 15 at rates ranging from 2.0% to 5.0%.

General Obligation Bonds, Series 2018 (Moody's Rated "Aa1" and S&P Rated "AA+") - The proceeds of this \$3.9M taxable issue will be used for (i) constructing and equipping public safety facilities, parks and park facilities and a public works facility; and (ii) constructing and improving streets, roads and other related infrastructure in the Town. The issue is 100% debt service fund related and was issued June 15, 2018, maturing February 15, 2038. Interest payable February 15 and August 15 at rates ranging from 4.0% to 5.0%.

Certificates of Obligation, Series 2018 (Moody's Rated "Aa1" and S&P Rated "AA+") - The proceeds of this \$22.225M taxable issue will be used for (i) constructing and equipping a multi-purpose municipal facility to serve as Town Hall and to house other municipal services; (ii) improving the Town's waterworks system; and (iii) constructing and improving streets, roads and other related infrastructure in the Town. The issue is 56% debt service fund related and 44% water and sewer fund related and was issued June 15, 2018, maturing February 15, 2038. Interest payable February 15 and August 15 at rates ranging from 3.125% to 5.0%.

General Obligation Bonds, Series 2019 (Moody's Rated "Aa1" and S&P Rated "AA+") - The proceeds of this \$4.065M taxable issue will be used for (i) constructing and improving streets, roads and other related infrastructure in the Town. The issue is 100% debt service fund related and was issued July 25, 2019, maturing February 15, 2039. Interest payable February 15, and August 15 at rates ranging from 3.0% to 4.0%.

Debt Issuance Details

Certificates of Obligation, Series 2019 (Moody's Rated "Aa1" and S&P Rated "AA+") - The proceeds of this \$17.49M taxable issue will be used for (i) acquiring, constructing, installing and equipping additions, improvements, extensions and equipment for the Town's waterworks and sewer system; (ii) constructing, improving, extending, expanding, upgrading and developing streets and roads and intersections, including utility relocation, landscaping, sidewalks, traffic safety and operational improvements and the purchase of any necessary rights-of-way and other related costs, (iii) constructing, improving, extending, expanding, upgrading and developing parks and recreation facilities, including fields, trails, utility relocation, landscaping, sidewalks and operational improvements, installation of lighting, the purchase of any necessary rights-of-way, and other related costs; (iv) designing, constructing, improving and equipping public safety facilities in the Town, including a police station and dispatch facility, and the acquisition of land and interests in land as necessary for such purposes; and (v) paying legal, fiscal, engineering and architectural fees in connection with these projects. The issue is 75% debt service fund related and 25% water and sewer fund related and was issued July 25, 2019, maturing February 15, 2039. Interest payable February 15 and August 15 at rates ranging from 3.0% to 5.0%

Certificates of Obligation, Series 2020 (Moody's Rated "Aa1" and S&P Rated "AA+") - The proceeds of this \$10.875M taxable issue will be used for (i) constructing, improving, extending, expanding, upgrading and developing streets and roads and intersections, including utility relocation, landscaping, sidewalks, traffic safety and operational improvements and the purchase of any necessary rights-of-way and other related costs; (ii) constructing, improving, extending, expanding, upgrading and developing parks and recreation facilities, including fields, trails, utility relocation, landscaping, sidewalks and operational improvements, installation of lighting, the purchase of any necessary rights-of-way, drainage and other related costs; and (iii) paying legal, fiscal, engineering and architectural fees in connection with these projects. The issue is 100% debt service fund related and was issued September 1, 2020, maturing February 15, 2035. Interest payable February 15 and August 15 at 4.0%.

General Obligation Bonds, Series 2021 (Moody's Rated "Aa1" and S&P Rated "AA+") - The proceeds of this \$36.255M taxable issue will be used for (i) constructing public safety facilities in the Town; (ii) equipping parks, trails and recreational facilities in the Town; (iii) constructing and improving streets, roads and other related infrastructure in the Town; and (iv) paying costs of issuing the Bonds. The issue is 100% debt service fund related and was issued August 18, 2021, maturing February 15, 2041. Interest payable February 15 and August 15 at rates ranging from 2.0% to 5.0%.

Certificates of Obligation, Series 2021 (Moody's Rated "Aa1" and S&P Rated "AA+") - The proceeds of this \$6.855M taxable issue will be used for (i) constructing, improving, extending, expanding, upgrading and developing streets and roads and intersections, including utility relocation, landscaping, sidewalks, traffic safety and operational improvements and the purchase of any necessary right-of-way and other related costs, specifically including improvements to Frontier Parkway from the Dallas North Tollway to Preston Road and Fishtrap Road from Teel Parkway to Stuber Elementary School; (ii) construction, acquisition and installation of the Westside communications radio tower and (iii) paying legal, fiscal, engineering and architectural fees in connection with these projects, including the costs of issuing the Certificates. The issue is 100% debt service fund related and was issued August 18, 2021, maturing February 15, 2041. Interest payable February 15 and August 15 at rates ranging from 2.0% to 5.0%.

Debt Issuance Details

General Obligation Bonds, Series 2022 (Moody's Rated "Aa1" and S&P Rated "AA+") - The proceeds of this \$31.600M taxable issue will be used for (i) public safety facilities in the Town, consisting of fire stations, an emergency operations center, a public safety training acility and administrative facilities relating thereto ; (ii) equipping parks, trails and recreational facilities in the Town and the acquisition of land and interests in land for such purposes; (iii) constructing, improving, extending, expanding, upgrading and developing streets and roads, bridges and intersections in the Town and related drainage improvements, utility relocations, landscaping, curbs and sidewalks, traffic safety and operational improvements, entryway signage and other street and road signage and costs associated with such projects, and interests in land as may be necessary for such purposes, and excluding certain road projects to be funded with other obligations; and (iv) paying costs of issuing the Bonds. The issue is 100% debt service fund related and was issued September 29, 2022, maturing February 15, 2042. Interest payable February 15 and August 15 at rates ranging from 4.0% to 5.0%.

Certificates of Obligation, Series 2022 (Moody's Rated "Aa1" and S&P Rated "AA+") - The proceeds of this \$12.925M taxable issue will be used for (i) acquiring, constructing, installing and equipping additions, improvements, extensions and equipment for the Town's waterworks and sewer system and the acquisition of land and rights-of-way therefor; (ii) acquiring, constructing and installing stormwater drainage and flood control improvements in the Town, including dredging, channel improvements and related infrastructure and utility relocation and the acquisition of land and interests in land necessary for said improvements; and (iii) paying legal, fiscal, engineering and architectural fees in connection with these projects, including the costs of issuing the Certificates. The issue is 100% water and sewer fund related and was issued October 27,2022, maturing February 15, 2042. Interest payable February 15 and August 15 at rates ranging from 4.75% to 5.0%.

General Obligation Refunding and Improvement Bonds, Series 2023 (Moody's Rated "Aa1" and S&P Rated "AA+") - Proceeds of this \$36.958 taxable issue will be used for: (i) to refund a portion of the Town's outstanding debt (the "Refunded Obligations") for debt service savings (see "Schedule I – Schedule of Refunded Obligations"); (ii) constructing and equipping parks, trails and recreational facilities in the Town and the acquisition of land and interests in land for such purposes; (iii) constructing, improving, extending, expanding, upgrading and developing streets and roads, bridges and intersections in the Town and related drainage improvements, utility relocations, landscaping, curbs and sidewalks, traffic safety and operational improvements, entryway signage and other street and road signage and costs associated with such projects, and interests in land as may be necessary for such purposes, and excluding certain road projects to be funded with other obligations; and (iv) paying costs of issuing the Bonds. The issue is 100% debt service fund related and was issued September 28, 2023, maturing February 15, 2043. Interest payable February 15 and August 15 at rates ranging from 4.0% to 5.0%.

Debt Issuance Details

Combination Tax and Surplus Revenue Certificates of Obligation, Series 2023 (Moody's Rated "Aa1" and S&P Rated "AA+") - The proceeds of this \$8.535 taxable issue will be used for: (i) acquiring, constructing, installing and equipping additions, improvements, extensions and equipment for the Town's waterworks and sewer system and the acquisition of land and rights-of-way therefor, and (ii) paying legal, fiscal, engineering and architectural fees in connection with these projects, including the costs of issuing the Certificates. The issue is 100% water and sewer fund related and was issued September 28, 2022, maturing August 15, 2043. Interest payable February 15 and August 15 at rates ranging from 4.75% to 5.0%.

General Obligation Bonds, Series 2024 (S&P Rated "AA+" and Fitch Rated "AA+") - Proceeds from the sale of the Bonds will be used for: (i) public safety facilities in the Town, consisting of fire stations, an emergency operations center, a public safety training facility and administrative facilities relating thereto; (ii) constructing and equipping parks, trails and recreational facilities in the Town and the acquisition of land and interests in land for such purposes; (iii) constructing, improving, extending, expanding, upgrading and developing streets and roads, bridges and intersections in the Town and related drainage improvements, utility relocations, landscaping, curbs and sidewalks, traffic safety and operational improvements, entryway signage and other street and road signage and costs associated with such projects, and interests in land as may be necessary for such purposes, and excluding certain road projects to be funded with other obligations; and (iv) paying costs of issuing the Bonds.

Waterworks and Sewer System Revenue Bonds, Series 2024 (S&P Rated "AA-" and Fitch Rated "AA") - Proceeds from the sale of the Bonds will be used for: (i) the acquisition, construction, installation and equipment of additions, improvements and extensions to the System, and (ii) paying the costs associated with the issuance of the Bonds.

Outstanding Principal on Debt

Tax Supported Debt
As of 9/30/2025

Issue	Principal Outstanding	Final Maturity
2015 General Obligation Bonds	175,000	2026
2015 General Obligation Refunding Bonds	1,269,300	2026
2016 Certificates of Obligation	6,305,000	2036
2016 General Obligation Bonds	3,310,000	2036
2017 Certificates of Obligation	7,745,000	2037
2018 General Obligation Bonds	2,915,000	2038
2018 Certificates of Obligation	9,225,000	2038
2019 General Obligation Bonds	3,125,000	2039
2019 Certificates of Obligation	10,066,134	2039
2020 Certificates of Obligation	8,875,000	2040
2021 General Obligation Bonds	5,775,000	2041
2021 Certificates of Obligation	30,460,000	2041
2022 General Obligation Bonds	27,720,000	2042
2023 General Obligation Refunding Bonds	1,750,000	2033
2023 General Obligation Bonds	32,595,000	2043
2024 General Obligation Bonds	31,825,000	2044
2025 General Obligation Bonds	18,560,000	2045
2025 General Obligation Refunding Bonds	9,425,000	2035
	\$ 211,120,434	

Water/Sewer/Drainage Supported Debt
As of 9/30/2025

Issue	Principal Outstanding	Final Maturity
2014 Certificates of Obligation	1,325,000	2027
2015 General Obligation Refunding Bonds	530,700	2026
2016 Certificates of Obligation	835,000	2036
2017 Certificates of Obligation	690,000	2037
2018 Certificates of Obligation	7,300,000	2038
2019 Certificates of Obligation	3,403,869	2039
2022 Certificates of Obligation	11,585,000	2042
2023 General Obligation Refunding Bonds	2,380,000	2033
2023 Certificates of Obligation	7,745,000	2043
2024 Revenue Bonds	31,250,000	2044
2025 General Obligation Refunding Bonds	5,370,000	2034
2025 Revenue Bonds	33,095,000	2045
	\$ 105,509,569	

Principal and Interest Debt Schedule

Tax Supported Debt Service
As of 9/30/2025

Year	Principal	Interest	Total
2026	12,638,512	8,506,816	21,145,328
2027	10,547,894	8,082,430	18,630,324
2028	11,075,313	7,565,680	18,640,993
2029	11,611,469	7,020,387	18,631,856
2030	11,235,097	6,473,048	17,708,145
2031	11,761,253	5,940,627	17,701,880
2032	12,274,935	5,419,784	17,694,719
2033	12,792,354	4,894,225	17,686,579
2034	13,059,773	4,357,362	17,417,135
2035	13,602,192	3,815,857	17,418,049
2036	13,264,611	3,283,139	16,547,750
2037	12,695,767	2,773,978	15,469,745
2038	12,343,186	2,296,203	14,639,389
2039	11,643,078	1,850,715	13,493,793
2040	10,895,000	1,425,381	12,320,381
2041	10,535,000	1,018,081	11,553,081
2042	8,120,000	649,538	8,769,538
2043	6,095,000	350,959	6,445,959
2044	3,670,000	142,375	3,812,375
2045	1,260,000	31,500	1,291,500
TOTALS	\$ 211,120,434	\$ 75,898,085	\$ 287,018,519

Principal and Interest Debt Schedule

Water/Sewer/Drainage Supported Debt Service
As of 9/30/2025

Year	Principal	Interest	Total
2026	3,831,489	4,627,756	8,459,245
2027	4,637,106	4,625,445	9,262,551
2028	4,769,687	4,387,295	9,156,982
2029	5,003,532	4,150,938	9,154,470
2030	5,164,903	3,906,602	9,071,505
2031	5,413,748	3,654,823	9,068,571
2032	5,660,065	3,395,891	9,055,956
2033	5,922,646	3,127,788	9,050,434
2034	5,850,227	2,855,720	8,705,947
2035	5,232,808	2,600,809	7,833,617
2036	5,475,389	2,355,417	7,830,806
2037	5,634,234	2,099,807	7,734,041
2038	5,821,815	1,841,804	7,663,619
2039	5,386,923	1,585,523	6,972,446
2040	5,335,000	1,333,881	6,668,881
2041	5,580,000	1,090,119	6,670,119
2042	5,835,000	832,406	6,667,406
2043	5,085,000	568,656	5,653,656
2044	4,680,000	341,050	5,021,050
2045	2,585,000	129,250	2,714,250
TOTALS	\$ 102,904,572	\$ 49,510,980	\$ 152,415,552

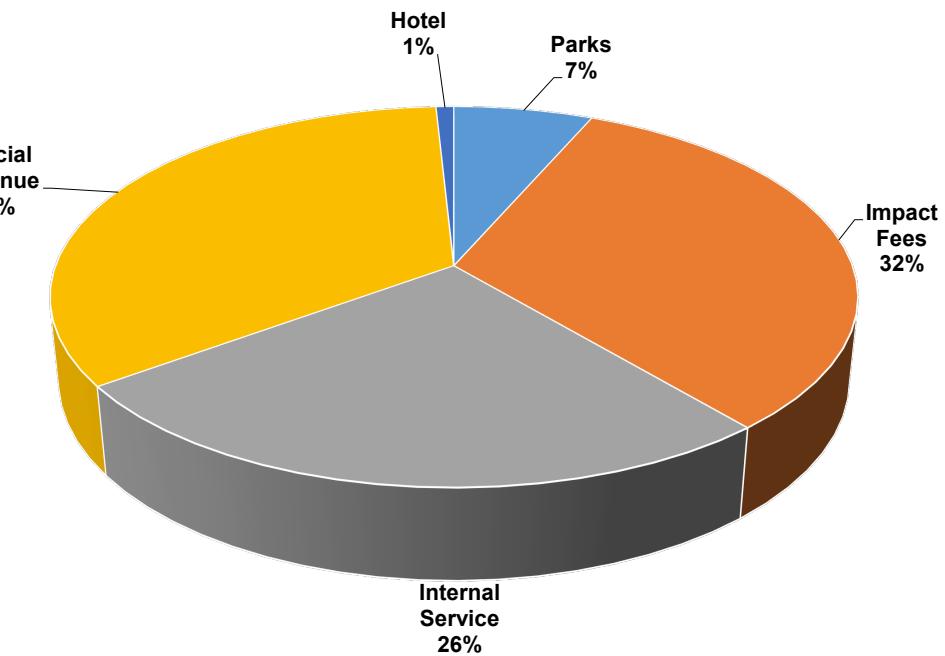


OTHER FUNDS



Other Funds Revenues
By Source

Revenue Category	Parks	Impact Fees	Internal Service	Special Revenue	Hotel
Property Tax	-	-	-	1,832,441	-
Sales Tax	-	-	-	9,439,436	302,675
Investment Income	40,000	600,000	270,000	84,850	2,000
License, Fees & Permits	-	-	-	300,000	-
Impact Fees	-	10,950,000	-	800,000	-
Charges for Services	1,550,000	-	8,846,100	-	-
Contribution	800,000	-	-	-	-
Miscellaneous	-	300,000	450,000	78,893	-
Revenue Total	\$ 2,390,000	\$ 11,850,000	\$ 9,566,100	\$ 12,535,620	\$ 304,675



TIRZ #1 Fund Description

The Town of Prosper 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 # 1 Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030	
REVENUES	Impact Fee Revenue	2,450,253	800,000	906,476	800,000	800,000	800,000	800,000	800,000	
	Property Taxes-Town	1,108,174	1,269,687	1,269,687	1,376,961	1,835,361	2,205,620	2,649,931	2,649,931	
	Property Taxes-County	231,790	268,202	268,202	295,022	324,524	356,977	392,675	392,675	
	Property Taxes-Rollback Taxes	486,411	-	-	-	-	-	-	-	
	Sales Taxes - Town	1,219,048	1,293,986	1,293,986	1,386,765	1,483,905	1,587,850	1,699,080	1,818,070	
	Sales Taxes - EDC	1,020,952	1,086,948	1,086,948	1,161,416	1,242,771	1,329,824	1,422,980	1,522,634	
	Investment Income	130,910	75,000	137,745	50,000	50,000	50,000	50,000	50,000	
		TOTAL REVENUES	\$ 6,647,537	\$ 4,793,823	\$ 4,963,044	\$ 5,070,164	\$ 5,736,561	\$ 6,330,272	\$ 7,014,666	\$ 7,233,310
EXPENDITURES	Developer Reimbursement	5,096,884	4,793,823	6,066,936	6,483,373	7,111,389	7,833,062	8,663,928	8,663,928	
	TOTAL EXPENDITURES	\$ 5,096,884	\$ 4,793,823	\$ 6,066,936	\$ 6,483,373	\$ 7,111,389	\$ 7,833,062	\$ 8,663,928	\$ 8,663,928	
	<i>Period Excess / (Deficit)</i>	<i>\$ 1,550,656</i>	<i>\$ -</i>	<i>\$ (1,103,892)</i>	<i>\$ (1,413,209)</i>	<i>\$ (1,374,828)</i>	<i>\$ (1,502,790)</i>	<i>\$ (1,649,262)</i>	<i>\$ (1,430,618)</i>	
NET CHANGE IN FUND BALANCE		\$ 1,550,656	\$ -	\$ (1,103,892)	\$ (1,413,209)	\$ (1,374,828)	\$ (1,502,790)	\$ (1,649,262)	\$ (1,430,618)	
BEGINNING FUND BALANCE		\$ 991,445	\$ 25,000	\$ 2,542,101	\$ 1,438,209	\$ 25,000	\$ (1,349,828)	\$ (2,852,618)	\$ (4,501,880)	
ENDING FUND BALANCE		\$ 2,542,101	\$ 25,000	\$ 1,438,209	\$ 25,000	\$ (1,349,828)	\$ (2,852,618)	\$ (4,501,880)	\$ (5,932,498)	

TIRZ #2 Fund Description

The Town of Prosper 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.

TIRZ # 2 Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030
REVENUES	Property Taxes-Town	39,537	117,783	117,783	151,173	139,926	148,322	155,738	155,738
	Property Taxes-County	8,270	8,441	24,217	9,285	10,028	10,630	11,161	11,161
	Property Taxes-Rollback Taxes	44,560	-	-	-	-	-	-	-
	Sales Taxes - Town	7,391	2,000	2,000	2,200	2,420	2,662	2,928	3,188
	Sales Taxes - EDC	7,391	2,000	2,000	2,200	2,420	2,662	2,928	3,188
	Investment Income	3,224	1,500	2,737	1,500	1,500	1,500	1,500	1,500
	TOTAL REVENUES	\$ 110,373	\$ 131,724	\$ 148,737	\$ 166,358	\$ 156,294	\$ 165,776	\$ 174,255	\$ 174,776
EXPENDITURES	Developer Reimbursement	110,272	131,724	131,724	184,122	140,730	145,505	150,553	151,073
	TOTAL EXPENDITURES	\$ 110,272	\$ 131,724	\$ 131,724	\$ 184,122	\$ 140,730	\$ 165,776	\$ 174,255	\$ 174,776
	<i>Period Excess / (Deficit)</i>	\$ 101	\$ -	\$ 17,013	\$ (17,764)	\$ 15,564	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE		\$ 101	\$ -	\$ 17,013	\$ (17,764)	\$ 15,564	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE		\$ 25,650	\$ 25,000	\$ 25,751	\$ 42,764	\$ 25,000	\$ 40,564	\$ 40,564	\$ 40,564
ENDING FUND BALANCE		\$ 25,751	\$ 25,000	\$ 42,764	\$ 25,000	\$ 40,564	\$ 40,564	\$ 40,564	\$ 40,564

Crime Control and Prevention District Description

The Town of Prosper held a special election in 2018 that established a Crime Control and Prevention Special Purpose District allowed under Texas Local Government Code, Chapter 363 and Texas Tax Code, Section 323.105. The voters approved the Crime Control and Prevention District for five years, and in 2023, approved the District for an additional 20 years through 2043, at which time voters will have to reaffirm or repeal. 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. The sales and use tax collected will be used to support the cost of crime control and crime prevention including costs of personnel, administration, expansion, enhancement, and capital expenditures. The implementation of the Crime Control and Prevention District funded twelve and a half existing Police Officers plus additional personnel costs. In FY 2025-2026, the fund will be transfer revenue to the General Fund to cover personnel expenses for Police Officers that will now all be housed within the General Fund.

Crime Control and Prevention Special Purpose District

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030
REVENUES	Sales Taxes	3,018,090	3,478,456	3,203,844	3,426,536	3,532,238	3,708,850	3,894,292	4,089,007
	Investment Income	268	1,200	7,605	1,200	1,200	1,200	1,200	1,200
	TOTAL REVENUES	\$ 3,018,358	\$ 3,479,656	\$ 3,211,449	\$ 3,427,736	\$ 3,533,438	\$ 3,710,050	\$ 3,895,492	\$ 4,090,207
EXPENDITURES	Personnel	3,031,617	3,344,835	3,344,835	-	-	-	-	-
	Other	10,730	1,200	1,200	1,200	1,200	1,200	1,200	1,200
	Transfer Out	-	-	-	3,426,536	3,532,238	3,708,850	3,894,292	4,089,007
	TOTAL EXPENDITURES	\$ 3,042,347	\$ 3,346,035	\$ 3,346,035	\$ 3,427,736	\$ 3,533,438	\$ 3,710,050	\$ 3,895,492	\$ 4,090,207
	<i>Period Excess / (Deficit)</i>	<i>\$ (23,990)</i>	<i>\$ 133,621</i>	<i>\$ (134,586)</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
NET CHANGE IN FUND BALANCE		\$ (23,990)	\$ 133,621	\$ (134,586)	\$ -	\$ -	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE		\$ 422,055	\$ 415,972	\$ 398,065	\$ 263,479	\$ 263,479	\$ 263,479	\$ 263,479	\$ 263,479
ENDING FUND BALANCE		\$ 398,065	\$ 549,593	\$ 263,479	\$ 263,479	\$ 263,479	\$ 263,479	\$ 263,479	\$ 263,479

Fire Control, Prevention, and Emergency Medical Services District Description

The Town of Prosper held a special election in 2018 that established a Fire Control, Prevention, and Emergency Medical Services Special Purpose District allowed under Texas Local Government Code, Chapter 344 and Texas Tax Code, Section 321.106. Fire Control, Prevention and Emergency Medical Services 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. The voters approved the Fire Control, Prevention, and Emergency Medical Services District for the next five years, and in 2023, approved the District for an additional 20 years through 2043, at which time voters will have to reaffirm or repeal. The sales and use tax collected will be used to support the cost of fire control, prevention, and emergency services including costs of personnel, administration, expansion, enhancement, and capital expenditures. The implementation of the Fire Control, Prevention, and Emergency Medical Services District funded twelve and a half existing Firefighter/Paramedics plus additional personnel costs. In FY 2025-2026, the fund will be transfer revenue to the General Fund to cover personnel expenses for Firefighter/Paramedics that will now all be housed within the General Fund.

Fire Control, Prevention and Emergency Medical Services Special Purpose District

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030
REVENUES	Sales Taxes	3,015,318	3,478,456	3,236,018	3,460,319	3,567,710	3,746,095	3,933,400	4,130,070
	Investment Income	4,962	1,200	1,200	600	600	600	600	600
	TOTAL REVENUES	\$ 3,020,280	\$ 3,479,656	\$ 3,237,218	\$ 3,460,919	\$ 3,568,310	\$ 3,746,695	\$ 3,934,000	\$ 4,130,670
EXPENDITURES	Personnel	3,081,905	3,541,860	3,541,860	-	-	-	-	-
	Other	10,730	2,400	2,400	2,400	2,400	2,400	2,400	2,400
	Transfer Out	-	-	-	3,458,519	3,565,910	3,744,295	3,931,600	4,128,270
	TOTAL EXPENDITURES	\$ 3,092,635	\$ 3,544,260	\$ 3,544,260	\$ 3,460,919	\$ 3,568,310	\$ 3,746,695	\$ 3,934,000	\$ 4,130,670
	<i>Period Excess / (Deficit)</i>	<i>\$ (72,355)</i>	<i>\$ (64,604)</i>	<i>\$ (307,042)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
NET CHANGE IN FUND BALANCE		\$ (72,355)	\$ (64,604)	\$ (307,042)					
BEGINNING FUND BALANCE		\$ 455,293	\$ 594,057	\$ 382,938	\$ 75,896	\$ 75,896	\$ 75,896	\$ 75,896	\$ 75,896
ENDING FUND BALANCE		\$ 382,938	\$ 529,453	\$ 75,896	\$ 75,896	\$ 75,896	\$ 75,896	\$ 75,896	\$ 75,896

Park Improvement/Dedication Fund Description

Park Improvement Fund - This fund is to account for contributions to the Town for improvements to Town parks per development agreements. Developers are reimbursed for the reasonable costs of any park improvements constructed and accepted by the Town. For multi-family development projects and for complete phases of a single-family subdivision plat, the Developer may elect to apply the entire amount to be reimbursed under this section as a credit against park fees due for the residential development, provided that the application of the credit does not result in a partial fee for any dwelling unit, in accordance with guidelines established by the Town. The Town shall retain sole discretion to determine whether to accept proposed park improvements.

Park Dedication Fund - This fund is to account for contributions to the Town for the creation of parks within the Town per development agreements. Fund expenditures must be used for the acquisition, development, expansion, or upgrading of parks.

Park Dedication/Improvement Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030
REVENUES	Park Dedication Fees	909,971	600,000	1,303,972	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
	Park Improvement Fees	761,210	800,000	1,123,484	800,000	800,000	800,000	800,000	800,000
	Park Dedication-Interest	41,223	36,000	43,728	20,000	20,000	20,000	20,000	20,000
	Park Improvement-Interest	40,764	38,000	38,000	20,000	20,000	20,000	20,000	20,000
<i>TOTAL REVENUES</i>		<i>\$ 1,753,169</i>	<i>\$ 1,474,000</i>	<i>\$ 2,509,184</i>	<i>\$ 2,390,000</i>	<i>\$ 2,390,000</i>	<i>\$ 2,390,000</i>	<i>\$ 2,390,000</i>	<i>\$ 2,390,000</i>
EXPENDITURES	General - Park Dedication	1,363,800	1,810,050	1,810,050	1,400,000	-	-	-	-
	General - Park Improvement	1,492,455	515,000	515,000	750,000	-	-	-	-
	<i>TOTAL EXPENDITURES</i>	<i>\$ 2,856,255</i>	<i>\$ 2,325,050</i>	<i>\$ 2,325,050</i>	<i>\$ 2,150,000</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<i>Period Excess / (Deficit)</i>		<i>\$ (1,103,086)</i>	<i>\$ (851,050)</i>	<i>\$ 184,134</i>	<i>\$ 240,000</i>	<i>\$ 2,390,000</i>	<i>\$ 2,390,000</i>	<i>\$ 2,390,000</i>	<i>\$ 2,390,000</i>
NET CHANGE IN FUND BALANCE		<i>\$ (1,103,086)</i>	<i>\$ (851,050)</i>	<i>\$ 184,134</i>	<i>\$ 240,000</i>	<i>\$ 2,390,000</i>	<i>\$ 2,390,000</i>	<i>\$ 2,390,000</i>	<i>\$ 2,390,000</i>
BEGINNING FUND BALANCE		<i>\$ 2,335,476</i>	<i>\$ 2,235,938</i>	<i>\$ 1,232,390</i>	<i>\$ 1,416,524</i>	<i>\$ 1,656,524</i>	<i>\$ 4,046,524</i>	<i>\$ 6,436,524</i>	<i>\$ 8,826,524</i>
PARK DEDICATION ENDING FUND BALANCE		<i>\$ 1,175,203</i>	<i>\$ 51,880</i>	<i>\$ 712,853</i>	<i>\$ 882,853</i>	<i>\$ 2,452,853</i>	<i>\$ 4,022,853</i>	<i>\$ 5,592,853</i>	<i>\$ 7,162,853</i>
PARK IMPROVEMENT ENDING FUND BALANCE		<i>\$ 57,187</i>	<i>\$ 1,333,008</i>	<i>\$ 703,671</i>	<i>\$ 773,671</i>	<i>\$ 1,593,671</i>	<i>\$ 2,413,671</i>	<i>\$ 3,233,671</i>	<i>\$ 4,053,671</i>

Impact Fee Fund Description

Impact Fees were established to assure the availability of funds for major capital projects needed as a result of development. They are broken out into the following four funds: East Thoroughfare, West Thoroughfare, Water, and Wastewater. The laws governing the collection and disbursement of impact fees require separate accounting and reporting of these funds. Additionally, an analysis and update of the fee structure is required every five years. Appropriations from these funds are being utilized to provide supplemental funding for eligible capital improvement projects.

Water Impact Fee Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030
REVENUES	Impact Fees	3,467,614	3,500,000	3,500,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000
	Investment Income	391,660	290,000	290,000	200,000	200,000	200,000	200,000	200,000
	TOTAL REVENUES	\$ 3,859,274	\$ 3,790,000	\$ 3,790,000	\$ 3,450,000	\$ 3,450,000	\$ 3,450,000	\$ 3,450,000	\$ 3,450,000
EXPENDITURES	Operations-Developer Agreements	27,508	1,790,533	2,099,188	1,790,533	245,000	145,000	145,000	145,000
	Capital	56,557	-	-	-	-	-	-	-
	TOTAL EXPENDITURES	\$ 84,065	\$ 1,790,533	\$ 2,099,188	\$ 1,790,533	\$ 245,000	\$ 145,000	\$ 145,000	\$ 145,000
	<i>Period Excess / (Deficit)</i>	<i>\$ 3,775,209</i>	<i>\$ 1,999,467</i>	<i>\$ 1,690,812</i>	<i>\$ 1,659,467</i>	<i>\$ 3,205,000</i>	<i>\$ 3,305,000</i>	<i>\$ 3,305,000</i>	<i>\$ 3,305,000</i>
OTHER FINANCING	Transfers Out	(3,127,286)	(2,000,000)	(2,007,309)	(4,300,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
	TOTAL OTHER FINANCING SOURCES (USES)	\$ (3,127,286)	\$ (2,000,000)	\$ (2,007,309)	\$ (4,300,000)	\$ (3,000,000)	\$ (3,000,000)	\$ (3,000,000)	\$ (3,000,000)
	NET CHANGE IN FUND BALANCE	\$ 647,923	\$ (533)	\$ (316,497)	\$ (2,640,533)	\$ 205,000	\$ 305,000	\$ 305,000	\$ 305,000
	BEGINNING FUND BALANCE	\$ 7,234,881	\$ 7,647,030	\$ 7,882,804	\$ 7,566,307	\$ 4,925,774	\$ 5,130,774	\$ 5,435,774	\$ 5,740,774
	ENDING UNRESTRICTED FUND BALANCE	\$ 7,882,804	\$ 7,646,497	\$ 7,566,307	\$ 4,925,774	\$ 5,130,774	\$ 5,435,774	\$ 5,740,774	\$ 6,045,774

Wastewater Impact Fee Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030
REVENUES	Impact Fees	1,660,835	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
	Equity Fees	285,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
	Investment Income	193,818	125,000	130,065	100,000	100,000	100,000	100,000	100,000
	<i>TOTAL REVENUES</i>	<i>\$ 2,139,653</i>	<i>\$ 2,425,000</i>	<i>\$ 2,430,065</i>	<i>\$ 2,400,000</i>	<i>\$ 2,400,000</i>	<i>\$ 2,400,000</i>	<i>\$ 2,400,000</i>	<i>\$ 2,400,000</i>
EXPENDITURES	Operations-Developer Reimbursements	439,518	558,726	558,726	558,726	273,274	273,274	273,274	273,274
	<i>TOTAL EXPENDITURES</i>	<i>\$ 439,518</i>	<i>\$ 558,726</i>	<i>\$ 558,726</i>	<i>\$ 558,726</i>	<i>\$ 273,274</i>	<i>\$ 273,274</i>	<i>\$ 273,274</i>	<i>\$ 273,274</i>
	<i>Period Excess / (Deficit)</i>	<i>\$ 1,700,134</i>	<i>\$ 1,866,274</i>	<i>\$ 1,871,339</i>	<i>\$ 1,841,274</i>	<i>\$ 2,126,726</i>	<i>\$ 2,126,726</i>	<i>\$ 2,126,726</i>	<i>\$ 2,126,726</i>
OTHER FINANCING	Transfers Out	(162,599)	(3,531,622)	(3,538,931)	(2,568,378)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
	<i>TOTAL OTHER FINANCING SOURCES (USES)</i>	<i>\$ (162,599)</i>	<i>\$ (3,531,622)</i>	<i>\$ (3,538,931)</i>	<i>\$ (2,568,378)</i>	<i>\$ (2,000,000)</i>	<i>\$ (2,000,000)</i>	<i>\$ (2,000,000)</i>	<i>\$ (2,000,000)</i>
NET CHANGE IN FUND BALANCE		\$ 1,537,535	\$ (1,665,348)	\$ (1,667,592)	\$ (727,104)	\$ 126,726	\$ 126,726	\$ 126,726	\$ 126,726
BEGINNING FUND BALANCE		\$ 2,710,626	\$ 2,982,634	\$ 4,248,161	\$ 2,580,569	\$ 1,853,465	\$ 1,980,191	\$ 2,106,917	\$ 2,233,643
ENDING UNRESTRICTED FUND BALANCE		\$ 4,248,161	\$ 1,317,286	\$ 2,580,569	\$ 1,853,465	\$ 1,980,191	\$ 2,106,917	\$ 2,233,643	\$ 2,360,369

East Thoroughfare Impact Fee Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030
REVENUES	Impact Fees	1,005,046	1,000,000	1,100,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
	Investment Income	163,177	120,000	120,000	100,000	100,000	100,000	100,000	100,000
	TOTAL REVENUES	\$ 1,168,223	\$ 1,120,000	\$ 1,220,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000
EXPENDITURES	Operations-Developer Reimbursements	314,940	237,074	237,074	250,000	250,000	250,000	250,000	250,000
	Capital	48,763	-	-	-	-	-	-	-
	TOTAL EXPENDITURES	\$ 363,703	\$ 237,074	\$ 237,074	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
	<i>Period Excess / (Deficit)</i>	<i>\$ 804,520</i>	<i>\$ 882,926</i>	<i>\$ 982,926</i>	<i>\$ 1,050,000</i>	<i>\$ 1,050,000</i>	<i>\$ 1,050,000</i>	<i>\$ 1,050,000</i>	<i>\$ 1,050,000</i>
OTHER FINANCING	Transfers Out	-	(2,500,000)	(2,529,491)	(2,400,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
	TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ (2,500,000)	\$ (2,529,491)	\$ (2,400,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)
NET CHANGE IN FUND BALANCE		\$ 804,520	\$ (1,617,074)	\$ (1,546,565)	\$ (1,350,000)	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
BEGINNING FUND BALANCE		\$ 2,572,328	\$ 2,690,574	\$ 3,376,848	\$ 1,830,283	\$ 480,283	\$ 530,283	\$ 580,283	\$ 630,283
ENDING UNRESTRICTED FUND BALANCE		\$ 3,376,848	\$ 1,073,500	\$ 1,830,283	\$ 480,283	\$ 530,283	\$ 580,283	\$ 630,283	\$ 680,283

West Thoroughfare Impact Fee Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030
REVENUES	Impact Fees	5,090,270	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
	Investment Income	388,600	200,000	300,000	200,000	200,000	200,000	200,000	200,000
	<i>TOTAL REVENUES</i>	<i>\$ 5,478,870</i>	<i>\$ 4,700,000</i>	<i>\$ 4,800,000</i>	<i>\$ 4,700,000</i>	<i>\$ 4,700,000</i>	<i>\$ 4,700,000</i>	<i>\$ 4,700,000</i>	<i>\$ 4,700,000</i>
EXPENDITURES	Operations-Developer Agreements	512,992	5,086,548	5,086,548	1,500,000	1,700,000	1,300,000	600,000	600,000
	<i>TOTAL EXPENDITURES</i>	<i>\$ 512,992</i>	<i>\$ 5,086,548</i>	<i>\$ 5,086,548</i>	<i>\$ 1,500,000</i>	<i>\$ 1,700,000</i>	<i>\$ 1,300,000</i>	<i>\$ 600,000</i>	<i>\$ 600,000</i>
	<i>Period Excess / (Deficit)</i>	<i>\$ 4,965,878</i>	<i>\$ (386,548)</i>	<i>\$ (286,548)</i>	<i>\$ 3,200,000</i>	<i>\$ 3,000,000</i>	<i>\$ 3,400,000</i>	<i>\$ 4,100,000</i>	<i>\$ 4,100,000</i>
OTHER FINANCING	Transfers In	167,514	-	-	-	-	-	-	-
	Transfers Out	(300,000)	(5,000,000)	(5,029,491)	(3,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
	<i>TOTAL OTHER FINANCING SOURCES (USES)</i>	<i>\$ 467,514</i>	<i>\$ (5,000,000)</i>	<i>\$ (5,029,491)</i>	<i>\$ (3,000,000)</i>	<i>\$ (2,000,000)</i>	<i>\$ (2,000,000)</i>	<i>\$ (2,000,000)</i>	<i>\$ (2,000,000)</i>
	NET CHANGE IN FUND BALANCE	\$ 4,498,364	\$ (5,386,548)	\$ (5,316,039)	\$ 200,000	\$ 1,000,000	\$ 1,400,000	\$ 2,100,000	\$ 2,100,000
	BEGINNING FUND BALANCE	\$ 5,065,664	\$ 8,273,700	\$ 9,564,028	\$ 4,247,989	\$ 4,447,989	\$ 5,447,989	\$ 6,847,989	\$ 8,947,989
	ENDING FUND BALANCE	\$ 9,564,028	\$ 2,887,152	\$ 4,247,989	\$ 4,447,989	\$ 5,447,989	\$ 6,847,989	\$ 8,947,989	\$ 11,047,989

Hotel Occupancy Tax Fund

The Hotel Occupancy Tax Fund collects revenue from a 7% tax on hotel rooms rented in Prosper. The revenue must be used to promote the town's hotel industry. Eligible expenditures are subject to a two-part test. They must put "heads in beds" and be included as one of the nine categories allowed by state law.

Hotel Occupancy Tax Fund

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030
REVENUES	Hotel Occupancy Tax	-	57,125	57,125	302,675	321,002	339,329	357,656	380,431
	Investment Income	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000
	TOTAL REVENUES \$	- \$	59,125 \$	59,125 \$	304,675 \$	323,002 \$	341,329 \$	359,656 \$	382,431
EXPENDITURES	Development Agreement	-	28,563	28,563	100,892	110,055	119,219	128,382	139,769
	TOTAL EXPENDITURES \$	- \$	28,563 \$	28,563 \$	100,892 \$	110,055 \$	119,219 \$	128,382 \$	139,769
	Period Excess / (Deficit) \$	- \$	30,562 \$	30,562 \$	203,783 \$	212,947 \$	222,110 \$	231,274 \$	242,662
NET CHANGE IN FUND BALANCE		\$	- \$	30,562 \$	30,562 \$	203,783 \$	212,947 \$	222,110 \$	231,274 \$
BEGINNING FUND BALANCE		\$	- \$	- \$	- \$	30,562 \$	234,345 \$	447,292 \$	669,402 \$
ENDING FUND BALANCE		\$	- \$	30,562 \$	30,562 \$	234,345 \$	447,292 \$	669,402 \$	900,676 \$
									1,143,338

Special Revenue Funds Description

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are normally restricted to expenditures for specified purposes. The following funds have been consolidated and presented in one summary.

Tree Mitigation Fee - This fee is received from the development community in lieu of replanting trees, or preserving existing trees per the Town's Tree Preservation ordinance.

Court Technology Fund - This fund is to account for a misdemeanor offense and pay a technology fee of \$4 as technology cost of the Court. 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, and docket management systems.

Court Security Fund - This fund is used to account for a misdemeanor offense and pay a \$4.90 security fee as a cost of the court. These funds are used to finance security personnel, services and items related to the facility that house the operations of the municipal court.

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.

Coronavirus Aid, Relief, and Economic Security (CARES Act Fund) American Rescue Plan Act (ARPA) Fund - These fund are used to account for grant funds awarded and expenditures related to the CARES act and the ARPA act. The first round of ARPA funds was received in fiscal year 20/21 and the second round was received in fiscal year 21/22. The funds were expended in fiscal year 23/24 on a wastewater infrastructure project. This led to a decrease in fund balance in the Special Revenue Funds.

Special Revenue Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030
REVENUES	Police Donations	19,721	15,500	23,810	15,500	15,500	15,500	15,500	15,500
	Fire Donations	18,656	15,500	15,500	15,500	15,500	15,500	15,500	15,500
	Child Safety Fees	29,403	28,000	28,000	28,000	28,000	28,000	28,000	28,000
	Court Security Revenue	12,405	8,525	13,455	8,525	8,525	8,525	8,525	8,525
	Municipal Jury Revenue	249	-	340	170	170	170	170	170
	Court Technology Revenue	10,217	8,198	10,972	8,198	8,198	8,198	8,198	8,198
	Tree Mitigation Revenue	204,694	300,000	300,000	300,000	300,000	300,000	300,000	300,000
	Escrow Income	167,514	-	-	-	-	-	-	-
	Cash Seizures	16,378	-	-	-	-	-	-	-
	Miscellaneous	8,756	3,000	10,288	3,000	3,000	3,000	3,000	3,000
	Interest Income	110,653	52,550	53,618	31,550	31,550	31,550	31,550	31,550
TOTAL REVENUES		\$ 598,646	\$ 431,273	\$ 455,983	\$ 410,443	\$ 410,443	\$ 410,443	\$ 410,443	\$ 410,443
EXPENDITURES	General Government	40,027	94,355	79,214	173,060	67,555	67,555	67,555	67,555
	Transfers Out	200,000	1,150,000	1,150,000	850,000	-	-	-	-
	TOTAL EXPENDITURES	\$ 40,027	\$ 94,355	\$ 79,214	\$ 1,023,060	\$ 67,555	\$ 67,555	\$ 67,555	\$ 67,555
<i>Period Excess / (Deficit)</i>		<i>\$ 558,619</i>	<i>\$ 336,918</i>	<i>\$ 376,769</i>	<i>\$ (612,617)</i>	<i>\$ 342,888</i>	<i>\$ 342,888</i>	<i>\$ 342,888</i>	<i>\$ 342,888</i>
NET CHANGE IN FUND BALANCE		\$ 558,619	\$ 336,918	\$ 376,769	\$ (612,617)	\$ 342,888	\$ 342,888	\$ 342,888	\$ 342,888
BEGINNING FUND BALANCE		\$ 1,797,646	\$ 515,371	\$ 2,356,265	\$ 2,733,034	\$ 2,120,417	\$ 2,463,305	\$ 2,806,193	\$ 3,149,081
ENDING FUND BALANCE		\$ 2,356,265	\$ 852,289	\$ 2,733,034	\$ 2,120,417	\$ 2,463,305	\$ 2,806,193	\$ 3,149,081	\$ 3,491,969

Vehicle and Equipment Replacement Fund Description

The Town established the Vehicle and Equipment Replacement Fund (VERF) in Fiscal Year 2013-2014 to accumulate sufficient resources to replace existing vehicles and equipment when they reach or exceed their useful life. The internal program was designed for departments to contribute annual payments to the fund based on the number, type, average life expectancy, and the projected replacement cost of the vehicles/equipment. The intent was for funds to be managed to purchase Town vehicles and equipment in a manner that would not create a burden on the Town budget. Annual contributions are determined by amortizing the replacement cost for the life expectancy of the vehicle/equipment and are allocated as charges for services from each department. Balances at the department level are calculated each year and adjustments are made to replacement values as needed. In addition to budgeted annual contributions, each department is credited for proceeds of auctioned vehicles/equipment, as well as interest earned for the year. These proceeds are considered when determining contribution needs for the following fiscal year.

Vehicle and Equipment Replacement Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030
REVENUES	Charges for Services	1,478,966	1,572,064	1,048,042	1,566,797	1,566,797	1,566,797	1,566,797	1,566,797
	Auction Proceeds	-	150,000	150,000	150,000	150,000	150,000	150,000	150,000
	Interest Income	294,584	250,000	250,000	250,000	250,000	250,000	250,000	250,000
	<i>TOTAL REVENUES</i>	<i>\$ 1,773,550</i>	<i>\$ 1,972,064</i>	<i>\$ 1,448,042</i>	<i>\$ 1,966,797</i>	<i>\$ 1,966,797</i>	<i>\$ 1,966,797</i>	<i>\$ 1,966,797</i>	<i>\$ 1,966,797</i>
EXPENDITURES	Technology Expenses	59,925	145,200	-	1,089,094	-	-	-	-
	Equipment Expenses	-	526,908	548,142	77,706	-	-	-	-
	Vehicle Expenses	220	1,866,493	1,745,631	1,972,462	767,936	1,415,000	2,540,000	-
	<i>TOTAL EXPENDITURES</i>	<i>\$ 60,145</i>	<i>\$ 2,538,601</i>	<i>\$ 2,293,773</i>	<i>\$ 3,139,262</i>	<i>\$ 767,936</i>	<i>\$ 1,415,000</i>	<i>\$ 2,540,000</i>	<i>\$ -</i>
	<i>Period Excess / (Deficit)</i>	<i>\$ 1,713,405</i>	<i>\$ (566,537)</i>	<i>\$ (845,731)</i>	<i>\$ (1,172,465)</i>	<i>\$ 1,198,861</i>	<i>\$ 551,797</i>	<i>\$ (573,203)</i>	<i>\$ 1,966,797</i>
NET CHANGE IN FUND BALANCE		\$ 1,713,405	\$ (566,537)	\$ (845,731)	\$ (1,172,465)	\$ 1,198,861	\$ 551,797	\$ (573,203)	\$ 1,966,797
BEGINNING FUND BALANCE		\$ 4,342,492	\$ 8,803,250	\$ 6,055,897	\$ 5,210,166	\$ 4,037,701	\$ 5,236,562	\$ 5,788,359	\$ 5,215,156
ENDING FUND BALANCE		\$ 6,055,897	\$ 8,236,713	\$ 5,210,166	\$ 4,037,701	\$ 5,236,562	\$ 5,788,359	\$ 5,215,156	\$ 7,181,953

Vehicle and Equipment Replacement Listing
Items to be replaced in Fiscal Year 2025-2026

DEPARTMENT	MODEL	YEAR	MAKE	MODEL	ESTIMATED REPLACEMENT COST
<i>Vehicles</i>					
Fire Operations	2017	Chevy	Tahoe		121,901
Fire Operations	2017	Horton	Ambulance		429,122 *
Fire Operations	2015	Ford	F550 Quick Attack Brush Truck		338,814 *
Fire Operations	2015	Pierce	Aerial Buck Truck Velocity 100'		2,540,000 *
Fire Operations	2013	Pierce	Puc Pumper		1,415,000 *
Parks Operations	2018	Chevy	2500 Silverado Extended Cab		50,000
Public Works/Water	2018	Chevy	1500 Silverado 2WD		51,844
Public Works/Water	2018	Chevy	1500 Silverado 4WD		51,844
Public Works/Wastewater	2017	Freightliner	114SD 4x2		540,882
Public Works/Wastewater	2018	Ford	F350		93,991
Police Operations	2020	Chevrolet	Tahoe		118,000 **
Police Operations	2020	Chevrolet	Tahoe		118,000 **
Police Operations	2020	Chevrolet	Tahoe		118,000 **
Police Operations	2020	Chevrolet	Tahoe		118,000 **
Police Operations	2020	Chevrolet	Tahoe		118,000 **
Police Operations	2020	Chevrolet	Tahoe		118,000 **
Police Operations	2020	Chevrolet	Tahoe		118,000 ***
Police Operations	2020	Chevrolet	Tahoe		118,000 ***
Police Operations	2020	Chevrolet	Tahoe		118,000 ***
Total cost of vehicle replacements				\$	6,695,398
<i>Equipment</i>					
Parks Operations	2017	Toro	60" Zero Turn Mower		16,000
Parks Operations	2020	Toro	60" Zero Turn Mower		16,000
Parks Operations	2018	Toro	305-D 3-Gang Mower		30,000
Parks Operations	2019	Toro	Toro LCE Turboforce Deck		15,706
Total cost of equipment replacements				\$	77,706
<i>Technology</i>					
Town Hall		Network Equipment			431,170
Police Department		Network Equipment			279,272
Public Works		Network Equipment			114,006
Fire Station #2		Network Equipment			106,864
Fire Station #3		Network Equipment			83,915
Central Fire		Network Equipment			53,833
Parks & Recreation Admin Building		Network Equipment			20,034
Total cost of Technology replacements				\$	1,089,094
Total cost of all replacements				\$	7,862,198

*Expected to be paid in FY27 or later

**Previously Deferred From FY25

***Deferred from FY25 General Fund Budget

Health Insurance Trust Fund Description

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 Employee Health Insurance Trust Fund to account for the Town's employee health and dental care coverage. In addition, excess insurance has been obtained for an individual unit health and prescription drug claims exceeding \$125,000. The Town's claim administrator is UMR for medical claims and Pro-Act for pharmacy claims.

Health Insurance Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	ADOPTED AMENDED 2024-2025	ADOPTED BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030	
REVENUES	Employer Contributions	3,467,157	4,136,107	4,136,107	5,732,137	5,988,942	6,164,285	6,344,889	6,530,911	
	Employee Contributions	1,013,114	1,006,410	1,477,890	1,499,775	1,574,763	1,653,502	1,736,176	1,822,986	
	Investment Income	34,341	20,000	4,000	20,000	20,000	20,000	20,000	20,000	
	Cobra and Stop Loss Reimbursements	368,619	300,000	854,160	300,000	300,000	300,000	300,000	300,000	
	Transfer In	-	-	1,100,000	710,000	-	-	-	-	
		TOTAL REVENUES	\$ 4,883,230	\$ 5,462,517	\$ 7,572,157	\$ 8,261,912	\$ 7,883,706	\$ 8,137,786	\$ 8,401,064	\$ 8,673,897
EXPENDITURES	Operating Expenses	426,228	450,000	420,408	453,129	486,361	504,283	523,102	542,861	
	Claims	4,543,025	4,497,525	6,440,888	7,560,895	7,938,939	8,335,886	8,752,681	9,190,315	
	Insurance	375,411	419,423	423,176	485,367	509,635	535,116	561,871	589,966	
	Wellness Program	-	6,000	-	6,000	6,000	6,000	6,000	6,000	
		TOTAL EXPENDITURES	\$ 5,344,663	\$ 5,372,948	\$ 7,284,472	\$ 8,505,391	\$ 8,940,935	\$ 9,381,285	\$ 9,843,654	\$ 10,329,142
		<i>Period Excess / (Deficit)</i>	<i>\$ (461,433)</i>	<i>\$ 89,569</i>	<i>\$ 287,685</i>	<i>\$ (243,479)</i>	<i>\$ (1,057,230)</i>	<i>\$ (1,243,499)</i>	<i>\$ (1,442,589)</i>	<i>\$ (1,655,245)</i>
NET CHANGE IN FUND BALANCE		\$ (461,433)	\$ 89,569	\$ 287,685	\$ (243,479)	\$ (1,057,230)	\$ (1,243,499)	\$ (1,442,589)	\$ (1,655,245)	
BEGINNING FUND BALANCE		\$ 609,567	\$ 708,756	\$ 148,134	\$ 435,819	\$ 192,340	\$ (864,889)	\$ (2,108,387)	\$ (3,550,977)	
ENDING FUND BALANCE		\$ 148,134	\$ 798,325	\$ 435,819	\$ 192,340	\$ (864,889)	\$ (2,108,387)	\$ (3,550,977)	\$ (5,206,222)	
Months of Claims Expense in Reserve		0.39	2.13	0.81	0.31	(1.31)	(3.04)	(4.87)	(6.80)	





CAPITAL PROJECTS FUNDS



Capital Projects Funds

The Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital assets, infrastructure, and facilities. The Governmental Capital Projects Fund consists of Streets, Parks, and Public Safety projects. The Enterprise Capital Projects Fund consists of Water, Wastewater, and Drainage projects. These funds are budgeted on a project basis as the project expenditures normally cross over fiscal years and the appropriation stay open until the project is complete.

**CAPITAL IMPROVEMENTS PROGRAM
GOVERNMENTAL CAPITAL PROJECTS FUND
FISCAL YEAR 2026**

Resources:

Current FY 25 Resources as of 7/31/25	
Cash	\$ 35,065,112
Liabilities	(2,830,254)
Unspent Prior Year Bond Funds	34,059,428
Pending Interest	910,076
Collin County Intersection Improvement Grant	2,800,000
Denton County Bond Program	3,900,000
TxDOT Reimbursement	2,200,000
NTCOG Grant	720,000
Escrow Funds to be Received	75,300
Pending Impact Fee Transfer	300,000
Arestia Reimbursement	230,000
Collin County Open Spaces Grant	448,000
PASO Contribution	950,000
Blue Star Development Contribution	1,035,322
2025 GO Bonds	19,450,000
Remaining unspent budget amount for projects in process	(108,849,885)

Net unobligated balances and contingencies	<u>(9,536,902)</u>
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Preliminary FY25 Resources:

West Thoroughfare Impact Fee Transfers	3,000,000
East Thoroughfare Impact Fee Transfers	2,500,000
Park Improvement Fee Transfers	750,000
Park Development Fee Transfers	1,400,000
Tree Mitigation Fee Transfers	850,000
EDC Contributions	2,500,000
Denton County Bond Program	1,100,000
Interest Income	3,000,000
Capital Dedicated Funds	10,500,000
Projected 2026 GO Bonds	23,297,062
 Total Future Resources	 <u>48,897,062</u>
 Funds available to be committed	 <u>39,360,160</u>

Additional Projects:

Streets Projects:

Gee Road (US 380-FM 1385) - 2 NB lanes	1,100,000
Coleman (Gorgeous - Prosper Trail) - 4 lanes	15,500,000
Craig Street (Preston - Fifth)	4,400,000
Godwin Parkway (DNT - BNSF RR)	2,000,000
First St Whitley Place Open Space	250,000
Traffic Signal - Fishtrap & Artesia Boulevard	140,000
Traffic Signal - Teel Pkwy & Prairie Drive	140,000
Traffic Improvement Projects	1,500,000
Traffic Signal - Legacy & Prairie	140,000
Traffic Signal - Legacy & Prosper Trail	85,000
Traffic Signal - Legacy & Starwood	85,000
CIP Employee Salaries	400,000

Parks Projects:

Downtown Park - Parvin (Broadway/Parvin)	200,000
Raymond Community Park Dam Repair	350,000
Playground Shade Structures - Lakewood and Hackberry Parks	200,000
Security Cameras - Raymond Community and Lakewood Parks	250,000
Pecan Grove & Whitley Place HOA Irrigation Separation	125,000
Mirabella Park (Tellus)	500,000
Creekside Park (Shaddock)	445,000
Downtown Monumentation, Broadway & Main	255,000
Raymond Community Park, Phase 1	128,000
Dream Park	3,000,000
CIP Employee Salaries	300,000
Prairie Medians	250,000
Richland Medians	150,000
Mahard Medians	500,000

Facility Projects:

Parks & Public Works, Phase 1	5,397,062
Facility Improvement Projects	300,000
CIP Employee Salaries	300,000

Unprogrammed:

Unprogrammed Streets Projects	320,098
Unprogrammed Parks Projects	350,000
Unprogrammed Public Safety Projects	300,000

Total Additional Projects	<u>39,360,160</u>
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PROJECTED REMAINING UNOBLIGATED FUND

BALANCE 0

**CAPITAL IMPROVEMENTS PROGRAM
WATER/WASTEWATER CAPITAL PROJECTS FUND
FISCAL YEAR 2026**

Resources:

Current FY 25 Resources as of 7/31/25	
Cash	\$ 16,589,968
Liabilities	(1,259,225)
Revenue Bond Required Reserve	(571,944)
Unspent Prior Year Bond Funds	10,944,108
Pending Interest	396,057
Pending Impact Fee Transfer	1,499,905
EDA Grant	214,081
Escrow Funds	25,000
TxDOT Reimbursement	2,520,000
2025 CO Bonds	33,896,633
Remaining unspent budget amount for projects in process	(111,094,130)
Net unobligated balances and contingencies	<u>(46,839,547)</u>

Preliminary FY25 Resources:

Interest Income	800,000
Water Impact Fee Transfers	4,300,000
Wastewater Impact Fee Transfers	2,568,378
Projected 2026 Revenue Bonds	26,538,619
Intent to Reimburse Future Bond Issuance	25,798,619
Total Future Resources	<u>60,005,616</u>
Funds available to be committed	<u>13,166,069</u>

Additional Projects:

Water Projects:

6MG Ground Storage Tank	5,695,000
Craig St 2MG EST Rehabilitation	2,540,000
First Street (DNT - Coleman) - 12" Water Line	2,500,000
US 380 30-inch Water/8" WW Line Relocation	1,800,000
CIP Employee Salaries	300,000

Sewer Projects:

CIP Employee Salaries	200,000
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Unprogrammed:

Unprogrammed Water/Sewer Projects	131,069
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Total Additional Projects	<u>13,166,069</u>
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PROJECTED REMAINING UNOBLIGATED FUND

BALANCE	<u>(0)</u>
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**CAPITAL IMPROVEMENTS PROGRAM
DRAINAGE CAPITAL PROJECTS FUND
FISCAL YEAR 2026**

Resources:

Current FY 25 Resources as of 7/31/25		
Cash	\$	97,884
Liabilities		-
Pending Interest		1,300
Remaining unspent budget amount for projects in process		(50,294)
Net unobligated balances and contingencies		<u>48,890</u>

Preliminary FY25 Resources:

Interest Income	7,800
Transfer from Drainage Fund	200,000
Total Future Resources	<u>207,800</u>
Funds available to be committed	<u>256,690</u>

Additional Projects:

Drainage Projects:

Old Town Regional Detention Pond #2	200,000
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Unprogrammed:

Unprogrammed Drainage Projects	56,690
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Total Additional Projects	<u>256,690</u>
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PROJECTED REMAINING UNOBLIGATED FUND

BALANCE	<u>0</u>
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MULTI-YEAR CAPITAL PLAN



Five-Year Capital Improvement Program

The five-year CIP is an integral part of the Town's strategic project planning process related to capital infrastructure for streets, traffic improvements, parks, Town facilities, water, wastewater and drainage lines. Working in conjunction with community officials and community stakeholders, Town staff periodically evaluates the various capital infrastructure needs of the community for inclusion in the annual update of the Capital Improvement Program. Based on the needs identified, the recommended timing and funding for each project is prioritized by the CIP Subcommittee and by Town Council annually during the budget process. Upon direction by the Town Council, the final Capital Improvement Program is adopted with the annual operating and capital budgets. Operating budgets are funded by current revenues, while the capital budgets are funded from various sources, including impact fees, developer contributions, one-time uses of surplus fund balance or from debt proceeds. Debt service payments for the retirement of debts are built into the operating budgets by allocating I&S property taxes and transfers from other sources. The following pages outline the projected needs for the Town.

FY 2026 - FY 2030 Capital Improvement Program (\$000's)
General Fund Projects

CIP Project	Prior Yrs	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
STREET:							
Preston Road / First Street Dual Left Turns	\$ 900						\$ 900
Safety Way (Cook - Technology)	800						800
Gorgeous/McKinley: (LIV Development Agreement)	700						700
First Street (DNT - Coleman)	24,758						24,758
First Street (Elem - DNT)	32,230						32,230
Coit Road (First - Frontier) - 4 Lanes	27,790						27,790
DNT Main Lanes (US 380 - FM 428)	7,671		5,500				13,171
Legacy (Prairie - Fishtrap) - 4 lanes	10,000						10,000
US 380 Decelerations Lanes - Denton County	500		900				1,400
Fifth Street Quiet Zone	500						500
Prosper Trail (Coit - Custer) - 2 WB Lanes	1,400		18,000				19,400
Gee Road (US 380 - FM 1385) - 2 WB Lanes	3,900	1,100	20,000				25,000
Coleman (Gorgeous - Prosper Trail) - 4 Lanes	4,022	15,500					19,522
Legacy (First St. - Prosper Trail) 2 SB Lanes (Park Place DA)	200						200
Legacy (First St. - Prosper Trail) 2 SB Lanes (Star Trail DA)	550						550
Frontier Parkway (Legacy - DNT)	300		1,000			6,000	7,300
First Street (Coleman - Craig)	2,500						2,500
Craig Street (Preston - Fifth)	750	4,400					5,150
Parvin (FM 1385 - Legacy)	500						500
Coleman (First - Gorgeous) - 4 Lanes	660						660
Teel Parkway (First - Freeman)	855						855
Prosper Trail (Legacy - DNT)	1,200						1,200
Legacy Drive (Prosper Trail - Parvin) - PISD Reimbursement						10,000	10,000
Gorgeous (LIV - Coleman)	230						230
Godwin Parkway (DNT - BNSF RR)		2,000					2,000
Whitley Place / First St.- Open Space		250					250
Unprogrammed Future Projects		308					308
CIP Summaries		400					400
TOTAL STREET	\$ 122,916	\$ 23,958	\$ 45,400	\$ -	\$ -	\$ 16,000	\$ 208,274

TRAFFIC:							
Median Lighting US 380 (Mahard - Lovers Ln)	\$ 300						\$ 300
Traffic Signal - First & Artesia	525	140					665
Traffic Signal - DNT & Frontier Parkway	282						282
Traffic Signal - Teel & Prairie	525	140					665
Traffic Signal First Street/Legacy Drive	992						992
Opticom Repair/Installation	85						85
School Zone Flashers	141						141
Traffic Signal Communications Program Phase 2 of 2	495						495
Traffic Equipment	16						16
Traffic Improvement Projects	767	1,500					2,267
Traffic Signal - Legacy & Prairie	525	140					665
Traffic Signal - Legacy & Prosper Trail		85	650				735
Traffic Signal - Legacy & Starwood		85	650				735
Traffic Signal - First Street & La Cima					525		525
Traffic Signal - Richland Blvd & Walmart/Pandera					525		525
TOTAL TRAFFIC	\$ 4,653	\$ 2,090	\$ 1,300	\$ -	\$ 1,050	\$ -	\$ 8,043

FY 2025 - FY 2029 Capital Improvement Program (\$000's)

General Fund Projects (continued)

CIP Project	Prior Yrs	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
PARK:							
Windsong Park #3	\$ 350						\$ 350
Lakewood Preserve, Phase 2 (22 Acres/Lights)	6						6
Downtown Park (Broadway/Parvin)	1,158	200					1,358
Raymond Community Park Dam Repair		350					350
Rec Center Strategic Implementation Plan			100				100
Playground Shade Structures - Lakewood & Hackberry Parks		200					200
Security Cameras - Raymond Community & Lakewood Parks		250					250
Pecan Grove Park Pond Dredging			325				325
Pecan Grove & Whitley Place HOA Irrigation Separation		125					125
Mirabella Park (Tellus)		500					500
Creekside Park (Shaddock)		445					445
Doe Branch Trail Connections	2,184						2,184
Downtown Improvements	329						329
Downtown Monumentation	165						165
Downtown Monumentation, Broadway & Main	370	255					625
Downtown Monumentation, First & Main			465				465
Prosper Parking Lot and Alley Improvements	553						553
Raymond Community Park, Phase 1	25,057	128					25,185
Raymond Community Park, Trail / Bridge - Grant Matching	916						916
Frontier Park Pond Repairs	473		350				823
Frontier Park Concrete Repairs	120						120
Parks & Recreation Admin Facility Parking Lot Paving	80						80
Doe Branch Property Masterplan	140						140
Dream Park		3,000					3,000
US 380 Green Ribbon Lndscp- Irrigation (Lovers - Mahard)	2,295						2,295
Mahard Median Lndscp (US 380 - S of Prairie)		500					500
Prairie Median Lndscp (W of Legacy - Mahard)		250	1,000				1,250
Richland Median Lndscp (Prosper Commons - Coit Rd)		150					150
Unprogrammed Future Projects		350					350
CIP Salaries		300					300
Prosper Trail Screening (Preston - Deer Run)	550						550
Doe Branch Creek Erosion Control	225						225
Parks, Recreation, and Open Space Master Plan Update	140						140
TOTAL PARK	\$ 35,111	\$ 7,003	\$ 2,240	\$ -	\$ -	\$ -	\$ 44,354

FACILITY:							
Fire Station #4: (Design)	\$ 951						\$ 951
Fire Station #4: (Other Development Costs)	413						413
Fire Station #4: (Construction)	11,610						11,610
Fire Station #4: (FF&E)	700						700
Town Hall Repairs - N. Parking Lot & Front Steps & Fountain	291						291
Parks and Public Works, Phase 1	5,803	5,397					11,200
Public Safety Fiber Ring	1,000						1,000
Facility Improvement Projects		300					300
Unprogrammed Future Projects		300					300
CIP Salaries		300					300
TOTAL FACILITY	\$ 20,768	\$ 6,297	\$ -	\$ -	\$ -	\$ -	\$ 27,065
TOTAL GENERAL FUND PROJECTS	\$ 183,448	\$ 39,348	\$ 48,940	\$ -	\$ 1,050	\$ 16,000	\$ 287,736

FY 2024 - FY 2028 Capital Improvement Program (\$000's)
 Enterprise Fund Projects

CIP Project	Prior Yrs	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
WATER:							
FM 1461 12-inch Water Line Relocation	\$ 6,900						\$ 6,900
Parks and Public Works, Phase 1	5,600						5,600
Ground Storage 6 MG Tank	8,100	5,695					13,795
Craig Street 2 MG EST Rehabilitation	460	2,540					3,000
First Street (DNT - Coleman) - 12" Water Line		2,500					2,500
LPP Elevated Storage Tank #2						750	750
LPP Ground Storage Tank, Pumps and NTMWD Meter						1,400	1,400
Godwin Parkway (DNT - BNSF RR)	250						250
US 380 30-inch Water/8" WW Line Relocation		1,800	15,300				17,100
CIP Salaries		300					300
TOTAL WATER	\$ 21,310	\$ 12,835	\$ 15,300	\$ -	\$ -	\$ 2,150	\$ 51,595

WASTEWATER:							
Doe Branch Parallel Interceptor	\$ 16,253						\$ 16,253
Upper Doe Branch WW Line (Teel - PISD Stadium)	8,025						8,025
Doe Branch, Phase 3 WWTP	104,946						104,946
Denton ISD WW Line Reimbursement	532						532
CIP Salaries		200					200
TOTAL WASTEWATER	\$ 129,756	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 129,756
TOTAL WATER and WASTEWATER	\$ 151,066	\$ 13,035	\$ 15,300	\$ -	\$ -	\$ 2,150	\$ 181,351

Drainage:							
Old Town Regional Detention Pond # 2	\$ 98	\$ 200	\$ 1,800				\$ 2,098
TOTAL DRAINAGE	\$ 98	\$ 200	\$ 1,800	\$ -	\$ -	\$ -	\$ 2,098
TOTAL ENTERPRISE FUND PROJECTS	\$ 151,164	\$ 13,235	\$ 17,100	\$ -	\$ -	\$ 2,150	\$ 183,449

Summary of Capital Improvement Program - 2025-09-05 PROPOSED
General Fund Projects

01

Seq#	Street Projects	Prior Years	Funding Sources					Issued FY 25 2024-2025	Unissued Debt Schedule					Seq#	
			Total Cost	Restricted	Un-Restricted				FY 26 2025-2026	FY 27 2026-2027	FY 28 2027-2028	FY 29 2028-2029	FY 30 2029-2030		
01	2118-ST Preston Road / First Street Dual Left Turns: (Design)	100,000	100,000	100,000											01
02	2118-ST Preston Road / First Street Dual Left Turns: (Construction)	800,000	800,000	800,000	800,000										02
03	2303-ST Safety Way (Cook - Technology): (MOU approved July 19, 2022)	800,000	800,000	800,000	800,000										03
04	2304-ST Gorgeous/McKinley: (LIV Development Agreement)	700,000	700,000	700,000	700,000										04
05	1512-ST First Street (DNT - Coleman): (Design)	2,758,067	2,758,067	2,758,067	2,758,067										05
06	1512-ST First Street (DNT - Coleman): (Land/Esmt)	3,000,000	3,000,000	3,000,000	1,500,000	1,500,000									06
07	1512-ST First Street (DNT - Coleman): (Construction)	19,000,000	19,000,000	18,000,000	1,000,000	1,000,000	L	9,000,000							07
08	2012-ST Fishtrap (Elem - DNT) - 4 lanes: (Design)	1,057,380	1,057,380	857,380	200,000	A.D.L									08
09	2012-ST Fishtrap (Elem - DNT) - 4 lanes: (Land/Esmt)	1,700,000	1,700,000	1,700,000	1,700,000										09
10	2012-ST Fishtrap (Elem - DNT) - 4 lanes: (Construction)	29,473,352	29,473,352	29,332,871	140,481	A.K.L									10
11	1710-ST Coit Road (First - Frontier) - 4 lanes: (Design)	1,334,900	1,334,900	1,334,900	1,334,900										11
12	1710-ST Coit Road (First - Frontier) - 4 lanes: (Land/Esmt)	2,455,000	2,455,000	2,455,000	2,455,000										12
13	1710-ST Coit Road (First - Frontier) - 4 lanes: (Construction)	24,000,000	24,000,000	21,909,000	2,091,000	B.I.L	8,950,000	7,797,062							13
14	1937-ST DNT Main Lane (US 380 - FM 428): (Construction)	7,671,186	5,500,000	13,171,186	9,862,560	3,308,626	L.X.Z								14
15	2143-ST Legacy (Prairie - Fishtrap) - 4 lanes: (Construction)	10,000,000	10,000,000	10,000,000	8,850,000	1,150,000	L.D								15
16	2302-ST US 380 Deceleration Lanes - Denton County: (Construction)	500,000	900,000	1,400,000	1,400,000										16
17	1925-TR Fifth Street Quiet Zone	500,000	500,000	500,000	500,000	L									17
18	2326-ST Prosper Trail (Coit - Custer) - 2 WB lanes: (Design)	900,000	900,000	900,000	500,000	400,000	A.L.Z								18
19	2326-ST Prosper Trail (Coit - Custer) - 2 WB lanes: (Land/Esmt)	500,000	500,000	500,000	500,000	A									19
20	2326-ST Prosper Trail (Coit - Custer) - 2 WB lanes: (Construction)	18,000,000	18,000,000	18,000,000	18,000,000										20
21	2310-ST Gee Road (US 380 - FM 1385) - 2 NB lanes: (Design)	2,200,000	2,200,000	2,200,000	2,200,000	B									21
22	2310-ST Gee Road (US 380 - FM 1385) - 2 NB lanes: (Land/Esmt)	1,700,000	1,100,000	2,800,000	2,800,000	B.Z									22
23	2310-ST Gee Road (US 380 - FM 1385) - 2 NB lanes: (Construction)	20,000,000	20,000,000	10,000,000	10,000,000	B.Z									23
24	2141-ST Coleman (Gorgeous - Talon) - 4 lanes: (Design)	1,202,856	1,202,856	305,712	897,144	D.I									24
25	2141-ST Coleman (Gorgeous - Talon) - 4 lanes: (Land/Esmt)	2,819,740	2,819,740	2,794,740	25,000	D	1,500,000	15,500,000	15,500,000						25
26	2141-ST Coleman (Gorgeous - Talon) - 4 lanes: (Construction)	15,500,000	15,500,000	15,500,000	15,500,000										26
27	2314-ST Legacy (Fishtrap - Prosper Trail) - 2 SB lanes: (Park Place DA)	200,000	200,000	200,000	200,000	A									27
28	2315-ST Legacy (Fishtrap - Prosper Trail) - 2 SB lanes: (Star Trail DA)	550,000	550,000	550,000	550,000	A									28
29	2311-ST Frontier Parkway (Legacy - DNT): (Design)	300,000	300,000	300,000	300,000										29
30	2311-ST Frontier Parkway (Legacy - DNT): (Construction) (DNT Intersection)	6,000,000	6,000,000	6,000,000	6,000,000										30
31	2311-ST Frontier Parkway (Legacy - DNT): (Construction) (DNT Intersection)	1,000,000	1,000,000	1,000,000	1,000,000	L									31
32	2305-ST First Street (Coleman - Craig): (Design)	500,000	500,000	500,000	500,000	L									32
33	2305-ST First Street (Coleman - Craig): (Land/Esmt)	2,000,000	2,000,000	2,000,000	2,000,000	A									33
34	2305-ST First Street (Coleman - Craig): (Construction)	10,500,000	10,500,000	10,500,000	10,500,000										34
35	2140-ST Craig Street (Preston - Fifth): (Design)	369,600	369,600	369,600	369,600										35
36	2140-ST Craig Street (Preston - Fifth): (Land/Esmt)	380,400	380,400	380,400	380,400										36
37	2140-ST Craig Street (Preston - Fifth): (Construction)	4,400,000	4,400,000	4,400,000	3,000,000	1,400,000	A.Z								37
38	2208-ST Parvin (FM 1385 - Legacy): (Design)	500,000	500,000	500,000	500,000										38
39	2208-ST Parvin (FM 1385 - Legacy): (Land/Esmt)	2,000,000	2,000,000	2,000,000	2,000,000										39
40	2208-ST Parvin (FM 1385 - Legacy): (Construction)	31,000,000	31,000,000	31,000,000	31,000,000	B.Z									40
41	2411-ST Coleman (First - Gorgeous): (Design)	660,000	660,000	660,000	660,000										41
42	2411-ST Coleman (First - Gorgeous): (Land/Esmt)	1,000,000	1,000,000	1,000,000	1,000,000										42
43	2411-ST Coleman (First - Gorgeous): (Construction)	8,000,000	8,000,000	8,000,000	8,000,000										43
44	2415-ST Teel Parkway (First - Freeman): (Design)	855,510	855,510	855,510	855,510										44
45	2415-ST Teel Parkway (First - Freeman): (Land/Esmt)	500,000	500,000	500,000	500,000										45
46	2415-ST Teel Parkway (First - Freeman): (Construction)	9,000,000	9,000,000	9,000,000	9,000,000										46
47	2506-ST Prosper Trail (Legacy - DNT): (Design)	1,200,000	1,200,000	1,200,000	1,200,000	A									47
48	2506-ST Prosper Trail (Legacy - DNT): (Land/Esmt)	2,000,000	2,000,000	2,000,000	2,000,000	A									48
49	2506-ST Prosper Trail (Legacy - DNT): (Construction)	8,000,000	8,000,000	8,000,000	8,000,000										49
50	Legacy Drive (Prosper Trail - Parvin) - PISD Reimbursement	10,000,000	10,000,000	10,000,000	10,000,000										50
51	Legacy Drive (Star Trail - Legacy MS): (Design)	800,000													

**Summary of Capital Improvement Program - 2025-09-05 PROPOSED
General Fund Projects**

02

Seq#	Traffic Projects	Prior Years	FY 26					FY 30	FY 31-35	Total Cost	Funding Sources		Issued FY 25 2024-2025	Unissued Debt Schedule					Seq#	
			FY 26 2025-2026	FY 27 2026-2027	FY 28 2027-2028	FY 29 2028-2029	FY 30 2029-2030				Restricted	Un-Restricted		FY 26 2025-2026	FY 27 2026-2027	FY 28 2027-2028	FY 29 2028-2029	FY 30 2029-2030	FY 31-35 2030-2035	
01	2211-TR Median Lighting US 380 (Mahard - Lovers Ln): (Construction)	300,000								300,000	300,000	A							01	
02	2101-TR Traffic Signal - Fishtrap & Artesia Boulevard: (Design)	65,000								65,000	32,500	B,L							02	
03	2101-TR Traffic Signal - Fishtrap & Artesia Boulevard: (Construction)	460,000	140,000							600,000	230,000	B,L							03	
04	2317-TR Traffic Signal - DNT/Frontier: (Design)	81,500								81,500	81,500	L,Z							04	
05	2317-TR Traffic Signal - DNT/Frontier: (Construction)	200,000								200,000	200,000	L,Z							05	
06	2318-TR Traffic Signal - Teel Pkwy & Prairie Drive: (Design)	65,000								65,000	65,000	L							06	
07	2318-TR Traffic Signal - Teel Pkwy & Prairie Drive: (Construction)	460,000	140,000							600,000	600,000	L							07	
08	2404-TR Traffic Signal First Street/Legacy Drive (Construction)	992,259								992,259	992,259	L							08	
09	2501-TR Traffic Improvement Projects	767,160	1,500,000							2,267,160	1,500,000	767,160	L							09
10	2414-TR Opticom Repair/Installation	85,000								85,000	85,000	L							10	
11	2530-TR School Zone Flashers	140,544								140,544	140,544	L							11	
12	2502-TR Traffic Signal Communications Program Phase 2 of 2	495,000								495,000	495,000	L							12	
13	2531-TR Traffic Equipment	15,928								15,928	15,928	L							13	
14	2503-TR Traffic Signal - Legacy & Prairie: (Design)	65,000								65,000	65,000	L							14	
15	2503-TR Traffic Signal - Legacy & Prairie: (Construction)	460,000	140,000							600,000	600,000	L							15	
16	Traffic Signal - Legacy & Prosper Trail: (Design)	85,000								85,000	85,000	L							16	
17	Traffic Signal - Legacy & Prosper Trail: (Construction)		650,000							650,000	650,000	L							17	
18	Traffic Signal - Legacy & Starwood: (Design)	85,000								85,000	85,000	L							18	
19	Traffic Signal - Legacy & Starwood: (Construction)		650,000							650,000	650,000	L							19	
20	Traffic Signal - First Street & La Cima: (Design)			65,000						65,000	65,000								20	
21	Traffic Signal - First Street & La Cima: (Construction)				460,000					460,000	460,000								21	
22	Roundabout (La Cima/First Street): (Design)					500,000				500,000	500,000								22	
23	Roundabout (La Cima/First Street): (Construction)					2,000,000				2,000,000	2,000,000								23	
24	Roundabout (Richland/Lakewood): (Design)					500,000				500,000	500,000								24	
25	Roundabout (Richland/Lakewood): (Construction)					2,000,000				2,000,000	2,000,000								25	
26	Traffic Signal - Richland Blvd & Walmart/Pandera: (Design)			65,000						65,000	65,000	A							26	
27	Traffic Signal - Richland Blvd & Walmart/Pandera: (Construction)				460,000					460,000	460,000	A							27	
Subtotal		4,652,391	2,090,000	1,300,000	0	1,050,000	0	5,000,000	14,092,391	7,587,500	6,504,891	0	0	0	0	0	0	0		

Design	276,500	170,000	0	0	130,000	0	1,000,000	1,576,500	CO Bond Debt	0	0	0	0	0	0	0	0	0
Construction	2,872,259	420,000	1,300,000	0	920,000	0	4,000,000	9,512,259	GO Bond Debt	0	0	0	0	0	0	0	0	0
Design & Construction	1,503,632	1,500,000	0	0	0	0	0	3,003,632	2025 GO Bond Debt									
Land/Easements	0	0	0	0	0	0	0	0	Revenue Bond Debt	0	0	0	0	0	0	0	0	0

Description Codes - Other Sources																	
A Impact Fees	D General Fund	G Park Development Fund	J TIRZ #2	X Non-Cash Contributions													
B Grant and Interlocal Funds	E Water / Wastewater Fund	H TIRZ #1	K Escrows	Z Other Sources (See Detail)													
C Developer Agreements	F Stormwater Drainage Fund	I Interest	L Capital Dedicated														

Summary of Capital Improvement Program - 2025-09-05 PROPOSED
General Fund Projects

03

Index	Park Projects	Prior Years	FY 26 2025-2026	FY 27 2026-2027	FY 28 2027-2028	FY 29 2028-2029	FY 30 2029-2030	FY 31-35 2030-2035	Funding Sources		Issued FY 25 2024-2025	Unissued Debt Schedule				
									Restricted	Un-Restricted		FY 26 2025-2026	FY 27 2026-2027	FY 28 2027-2028	FY 29 2028-2029	FY 30 2029-2030
Neighborhood Park																
01	2245-PK Windsor Park #3: (Design)	100,000							100,000	100,000	G					01
02	2245-PK Windsor Park #3: (Construction)	250,000							250,000	250,000	G					02
03	2107-PK Lakewood Preserve, Phase 2 (22 Acres/Lights): (Construction)	5,587,255							5,587,255	4,042,255	D,G,I,Z					03
03	2319-PK Downtown Park (Broadway/Parvin): (Design)	50,000							50,000	50,000	G					03
04	2319-PK Downtown Park (Broadway/Parvin): (Construction)	1,108,240	200,000						1,308,240	752,810	D,G,I					04
05	Downtown Event Space: (Design)								1,250,000	1,250,000						05
06	Downtown Event Space: (Construction)								11,250,000	11,250,000						06
07	Rutherford Park: (Design)								500,000	500,000						07
08	Rutherford Park: (Construction)								4,500,000	4,500,000						08
09	Remaining Proposition B: GO Bond Funds								4,270,000	4,270,000						09
10	Raymond Community Park Dam Repair	350,000							350,000	5,180	L					10
11	Rec Center Strategic Implementation Plan		100,000						100,000		100,000	L				11
12	Playground Shade Structures - Lakewood and Hackberry Parks	200,000							200,000		200,000	G				12
13	Security Cameras - Raymond Community and Lakewood Parks	250,000							250,000		250,000	L				13
16	Pecan Grove Park Pond Dredging		325,000						325,000	325,000						16
18	Pecan Grove & Whitley Place HOA Irrigation Separation	125,000							125,000	125,000						18
19	Mirabella Park (Tellus)	500,000							500,000		500,000	G				19
20	Creekside Park (Shaddock)	445,000							445,000		445,000	G				20
21	Pickleball and Tennis Courts								3,800,000	3,800,000						21
22	Playground Development and Replacement								2,500,000	2,500,000						22
Trails																
23	2120-PK Doe Branch Trail Connections	2,184,000							2,184,000	2,000,000	184,000	D				23
24	Prosper Center Park Trail Connection								900,000	900,000	900,000	Z				24
25	Park Amenities/Bridge/Trails								2,700,000	2,700,000	2,700,000					25
Downtown Improvements																
26	2420-PK Downtown Improvements	329,383							329,383		329,383	D,I				26
27	2416-PK Downtown Monumentation: (Design)	164,700							164,700		164,700	D				27
28	Downtown Monumentation, Broadway & Coleman (Construction)								465,000	465,000	465,000					28
29	Downtown Monumentation, Broadway & Main (Construction)	370,000	255,000						625,000		625,000	Z				29
30	Downtown Monumentation, First & Main (Construction)		465,000						465,000	465,000	465,000					30
31	2403-ST Prosper Parking Lot and Alley Improvements (Design)	122,500							122,500		122,500	D				31
32	2403-ST Prosper Parking Lot and Alley Improvements (Construction)	430,000							430,000	307,499	122,501	D				32
Community Park																
33	2122-PK Raymond Community Park, Phase 1: (Design)	1,200,000							1,200,000	1,124,621	75,379					33
34	2122-PK Raymond Community Park, Phase 1: (Construction)	23,857,000	128,000						23,985,000	22,985,000	1,000,000	I,L				34
35	2510-PK Raymond Community Park, Trail / Bridge - Grant Matching	916,802							916,802	848,122	68,680	B,I,G				35
36	2327-PK Frontier Park Pond Repairs	473,000	350,000						823,000	350,000	473,000	L				36
37	2511-PK Frontier Park Concrete Repairs	120,000							120,000		120,000	G				37
38	2517-PK Parks & Recreation Admin Facility Parking Lot Paving	80,000							80,000		80,000	Z				38
39	Community Park - Prosper Trail 55 acres: (Design)								3,000,000	3,000,000	3,000,000					39
40	Community Park - Prosper Trail 55 acres: (Construction)								27,000,000	27,000,000	27,000,000					40
41	2513-PK Doe Branch Property Masterplan	140,000							140,000	140,000		G				41
42	Dream Park		3,000,000						3,000,000		3,000,000	G,X				42
43	Doe Branch - 161 acres: (Design)								2,500,000	2,500,000	2,500,000					43
44	Doe Branch - 161 acres: (Construction)								22,500,000	22,500,000	22,500,000					44
45	Raymond Community Park, Phase 2: (Design)								1,000,000	1,000,000	1,000,000					45
46	Raymond Community Park, Phase 2: (Construction)								9,000,000	9,000,000	9,000,000					46
47	Future Community Park - Activation (Design)								1,500,000	1,500,000	1,500,000					47
48	Future Community Park - Activation (Construction)								13,500,000	13,500,000	13,500,000					48

Medians/Landscape Screening													Medians/Landscape Screening															
49	2150-PK	US 380 Green Ribbon Lndscp- Irrigation (Lovers - Mahard): (Design)		95,000										95,000												49		
50	2150-PK	US 380 Green Ribbon Lndscp-Irrigation (Lovers - Mahard): (Constr.)		2,200,000										2,200,000		2,200,000		95,000	D							50		
51		Mahard Median Lndscp (US 380 - S of Prairie): (Design)		250,000										250,000				250,000	I							51		
52		Mahard Median Lndscp (US 380 - S of Prairie): (Construction)		250,000										250,000				250,000	I							52		
53		Prairie Median Lndscp (W of Legacy - Mahard): (Design)		250,000										250,000		7,503		242,497	I							53		
54		Prairie Median Lndscp (W of Legacy - Mahard): (Construction)		1,000,000										1,000,000		1,000,000										54		
55		Richland Median Lndscp (Prosper Commons - Coit Rd): (Design)		150,000										150,000				150,000	L							55		
56		Richland Median Lndscp (Prosper Commons - Coit Rd): (Constr.)												600,000		600,000		600,000								56		
57		Frontier Median Lndscp (DNT - Preston): (Design)												200,000		200,000		200,000								57		
58		Frontier Median Lndscp (DNT - Preston): (Constr.)												1,500,000		1,500,000		1,500,000								58		
59		Legacy Median Lndscp (First - Prosper Trail): (Design)												175,000		175,000		175,000								59		
60		Legacy Median Lndscp (First - Prosper Trail): (Constr.)												1,250,000		1,250,000		1,250,000								60		
61		Prosper Trail Median Lndscp (Teel - 2,000' East of Teel): (Design)												150,000		150,000		150,000								61		
62		Prosper Trail Median Lndscp (Teel - 2,000' East of Teel): (Constr.)												600,000		600,000		600,000								62		
63		First Median Lndscp (Stuber Elementary - DNT): (Design)												200,000		200,000		200,000								63		
64		First Median Lndscp (Stuber Elementary - DNT): (Constr.)												1,500,000		1,500,000		1,500,000								64		
65		Legacy Median Lndscp (In Front of Middle School #7): (Design)												150,000		150,000		150,000								65		
66		Legacy Median Lndscp (In Front of Middle School #7): (Constr.)												600,000		600,000		600,000								66		
67		CIP Salaries												300,000				300,000								67		
68	2328-PK	Prosper Trail Screening (Preston - Deer Run): (Design & Construction)		550,000											550,000			550,000	L							68		
69	2408-DR	Doe Branch Creek Erosion Control		225,000											225,000			225,000	F							69		
70	2401-PK	Parks, Recreation, and Open Space Master Plan Update		140,000											140,000			140,000	D							70		
71		Unprogrammed Future Projects												350,000			350,000									71		
Subtotal				40,692,880	7,003,000	2,240,000	0	0	0	119,060,000	168,995,880	156,137,990	12,507,890	0	0	0	0	0	0	0	0	0	0	4,270,000				
Design													1,732,200	650,000	0	0	0	10,625,000	13,007,200	CO Bond Debt	0	0	0	0	0	0	0	
Construction													33,802,495	833,000	1,465,000	0	0	0	94,265,000	130,365,495	GO Bond Debt	0	0	0	0	0	0	0
Design & Construction													5,158,185	5,520,000	775,000	0	0	0	14,170,000	25,623,185	2025 GO Bond Debt							
Land/Easements													0	0	0	0	0	0	0	0	Revenue Bond Debt	0	0	0	0	0	0	0

Design	1,732,200	650,000	0	0	0	10,625,000	13,007,200	CO Bond Debt	0	0	0	0	0	0	
Construction	33,802,495	833,000	1,465,000	0	0	94,265,000	130,365,495	GO Bond Debt	0	0	0	0	0	0	
Design & Construction	5,158,185	5,520,000	775,000	0	0	0	14,170,000	25,623,185	2025 GO Bond Debt						
Land/Easements	0	0	0	0	0	0	0	Revenue Bond Debt	0	0	0	0	0	0	

##

Description Codes - Other Sources									
A	Impact Fees	D	General Fund	G	Park Development Fund	J	TIRZ #2	X	Non-Cash Contributions
B	Grant and Interlocal Funds	E	Water / Wastewater Fund	H	TIRZ #1	K	Escrows	Z	Other Sources (See Detail)
C	Developer Agreements	F	Stormwater Drainage Fund	I	Interest	L	Capital Dedicated		

**Summary of Capital Improvement Program - 2025-09-05 PROPOSED
General Fund Projects**

04

Seq#	Facility Projects	Prior Years	FY 26					FY 29	FY 30	FY 31-35	Total Cost	Funding Sources		Issued FY 25 2024-2025	Unissued Debt Schedule					
			2025-2026	2026-2027	2027-2028	2028-2029	2029-2030					Restricted	Un-Restricted		FY 26 2025-2026	FY 27 2026-2027	FY 28 2027-2028	FY 29 2028-2029	FY 30 2029-2030	FY 31-35 2030-2035
01	2137-FC Fire Station #4: (Design)	950,680									950,680	950,680		Z					01	
02	2203-FC Fire Station #4: (Other Development Costs)	413,422									413,422	275,929	137,493	L					02	
03	2205-FC Fire Station #4: (Construction)	11,610,003									11,610,003	11,220,000	390,003	LL					03	
04	2206-FC Fire Station #4: (FF&E)	700,000									700,000		700,000	L					04	
05	2519-FC Town Hall Repairs - N. Parking Lot & Front Steps and Fountain	290,892									290,892		290,892	I					05	
06	2123-FC Parks & Public Works, Phase 1: (Design)	1,200,000									1,200,000		1,200,000	I,L,Z					06	
07	2123-FC Parks & Public Works, Phase 1: (Construction)	4,602,938	5,397,062								10,000,000	15,397,062	4,602,938	I,L,Z					07	
08	2516-FC Public Safety Fiber Ring	1,000,000									1,000,000	1,000,000		I					08	
09	Facility Improvement Projects			300,000							300,000		300,000	L					09	
10	Public Safety Training Facility, Phase 1: (Design)										750,000	750,000	750,000					750,000	10	
11	Public Safety Training Facility, Phase 1: (Construction)										6,750,000	6,750,000	4,300,000	2,450,000	D				450,000	11
12	Fueling Facility: (Design and Construction)										455,000	455,000							12	
13	Fire Station #5										14,000,000	14,000,000	14,000,000						13	
14	Fire Engine - Fire Station #5										1,600,000	1,600,000	1,600,000						14	
15	Multigenerational Recreational Center: (Design)										4,000,000	4,000,000	4,000,000						15	
16	Multigenerational Recreational Center: (Construction)										30,000,000	30,000,000	30,000,000						16	
17	Municipal Library: (Design)										4,000,000	4,000,000	4,000,000						17	
18	Municipal Library: (Construction)										30,200,000	30,200,000	30,200,000						18	
19	Parks & Public Works, Phase 2: (Design) - TBD										TBD	0							19	
20	Parks & Public Works, Phase 2: (Construction) - TBD										TBD	0							20	
21	Public Safety Facility, Phase 2 (Design)										3,000,000	3,000,000	3,000,000						21	
22	Public Safety Facility, Phase 2: (Construction)										26,000,000	26,000,000	26,000,000						22	
23	Silo Renovations										2,300,000	2,300,000	2,300,000						23	
24	Town Hall Remodel - Library Conversion - TBD										TBD	0							24	
25	CIP Salaries		300,000								300,000		300,000	L					25	
26	Unprogrammed Future Public Safety		300,000								300,000		300,000						26	
	Subtotal	20,767,935	6,297,062	0	0	0	0	133,055,000	160,119,997	149,748,671	10,371,326	0	0	0	0	0	1,200,000			
	Design	2,150,680	0	0	0	0	0	11,750,000	13,900,680	CO Bond Debt	0	0	0	0	0	0	0			
	Construction	17,326,363	5,397,062	0	0	0	0	102,950,000	125,673,425	GO Bond Debt	0	0	0	0	0	0	1,200,000			
	Design & Construction	1,290,892	900,000	0	0	0	0	18,355,000	20,545,892	2025 GO Bond Debt	0	0	0	0	0	0	0			
	Land/Easements/Equipment	0	0	0	0	0	0	0	0	Revenue Bond Debt	0	0	0	0	0	0	0			
		(0)																		
	Grand Total General Fund	189,031,197	39,348,000	48,940,000	0	1,050,000	16,000,000	349,415,000	643,476,259	553,079,900	90,046,358	19,450,000	23,297,062	14,767,843	0	0	0	5,470,000		
	Design	18,327,693	820,000	0	0	130,000	0	25,175,000	44,452,693	CO Bond Debt	\$ -	0	0	0	0	0	0			
	Construction	145,945,654	26,550,062	48,165,000	0	920,000	6,000,000	283,965,000	511,545,716	GO Bond Debt	19,450,000	23,297,062	14,767,843	0	0	0	0	5,470,000		
	Design & Construction	10,202,709	10,877,938	775,000	0	0	10,000,000	32,525,000	64,072,709	2025 GO Bond Debt	0	0	0	0	0	0	0			
	Land/Easements	14,555,140	1,100,000	0	0	0	0	7,750,000	23,405,140	Revenue Bond Debt	36,958,033	31,950,000	19,155,000	30,500,000	26,800,000	0	0	0		
	Description Codes - Other Sources																			
	A	Impact Fees	D	General Fund	G	Park Development Fund	J	TIRZ #2	X	Non-Cash Contributions										
	B	Grant and Interlocal Funds	E	Water / Wastewater Fund	H	TIRZ #1	K	Escrows	Z	Other Sources (See Detail)										
	C	Developer Agreements	F	Stormwater Drainage Fund	I	Interest	L	Capital Dedicated												

**Summary of Capital Improvement Program - 2025-09-05 PROPOSED
Enterprise Fund Projects**

05

Index	Water Projects	Prior Years	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31-35	Total Cost	Funding Sources		Issued FY 25 2024-2025	Unissued Debt Schedule		FY 26 2025-2026	FY 27 2026-2027	FY 28 2027-2028	FY 29 2028-2029	FY 30 2029-2030	FY 31-35 2030-2035
			2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2035		Restricted	Un-Restricted		FY 26 2025-2026	FY 27 2026-2027	FY 28 2027-2028	FY 29 2028-2029	FY 30 2029-2030	FY 31-35 2030-2035		
01	2114-WA FM 1461 12-inch Water Line Relocation: (Design)	400,000							400,000		400,000	E							01	
02	2114-WA FM 1461 12-inch Water Line Relocation: (Easements)	500,000							500,000		500,000	E							02	
03	2114-WA FM 1461 12-inch Water Line Relocation: (Construction)	6,000,000							6,000,000	2,520,000	3,480,000	E							03	
04	2123-WA Parks & Public Works, Phase 1: (Design)	600,000							600,000		600,000	E							04	
05	2123-WA Parks & Public Works, Phase 1: (Construction)	5,000,000							5,000,000	4,000,000	1,000,000	E,B,I	2,646,633						05	
06	2412-WA Ground Storage 6 MG Tank (Design)	600,000	195,000						795,000		795,000	E							06	
07	2412-WA Ground Storage 6 MG Tank (Construction)	7,500,000	5,500,000						13,000,000	4,349,128	8,650,872	A,E,I							07	
08	2520-WA Craig Street 2 MG EST Rehabilitation (Design)	460,000							460,000	460,000									08	
09	2520-WA Craig Street 2 MG EST Rehabilitation (Construction)		2,540,000						2,540,000	1,913,378	626,622	A,I		740,000					09	
10	First Street (DNT - Coleman) - 12" Water Line		2,500,000						2,500,000	1,647,306	852,694	I							10	
11	LPP Elevated Storage Tank #2: (Design)			750,000					750,000										11	
12	LPP Elevated Storage Tank #2: (Construction)				8,500,000				8,500,000										12	
13	LPP Ground Storage Tank, Pumps and NTMWD Meter: (Design)				1,400,000				1,400,000										13	
14	Godwin Parkway (DNT - BNSF RR)	250,000							250,000	250,000		I							14	
15	LPP Ground Storage Tank, Pumps and NTMWD Meter: (Construction)								12,600,000	4,000,000	8,600,000								15	
16	US 380 30-inch Water/8" WW Line Relocation: (Design)		1,800,000						1,800,000		1,800,000	E							16	
17	US 380 30-inch Water/8" WW Line Relocation: (Easements)			7,000,000					7,000,000		7,000,000	E							17	
18	US 380 30-inch Water/8" WW Line Relocation: (Construction)			8,300,000					8,300,000		8,300,000	E							18	
19	CIP Salaries		300,000						300,000		300,000	I							19	
20	Unprogrammed Future Water/Wastewater								0										20	
	Subtotal	21,310,000	12,835,000	15,300,000	0	0	2,150,000	21,100,000	72,695,000	19,139,812	53,555,188		2,646,633	740,000	0	0	0	0		
	Design	2,060,000	1,995,000	0	0	0	2,150,000	0	6,205,000				CO Bond Debt	0	0	0	0	0	0	
	Construction	18,500,000	8,040,000	8,300,000	0	0	0	21,100,000	55,940,000				GO Bond Debt	0	0	0	0	0	0	
	Design & Construction	250,000	2,800,000	0	0	0	0	0	3,050,000				Revenue Bond Debt	2,646,633	740,000	0	0	0	0	
	Land/Easements	500,000	0	7,000,000	0	0	0	0	7,500,000											
Index	Wastewater Projects	Prior Years	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31-35	Total Cost	Funding Sources		Issued FY 25 2024-2025	Unissued Debt Schedule		FY 26 2025-2026	FY 27 2026-2027	FY 28 2027-2028	FY 29 2028-2029	FY 30 2029-2030	FY 31-35 2030-2035
			2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2035		Restricted	Un-Restricted		FY 26 2025-2026	FY 27 2026-2027	FY 28 2027-2028	FY 29 2028-2029	FY 30 2029-2030	FY 31-35 2030-2035		
01	2103-WW Doe Branch Parallel Interceptor: (Design & Construction)	16,253,327							16,253,327	15,253,327	1,000,000	A,I	3,750,000	3,876,664	3,876,664					01
02	2152-WW Upper Doe Branch WW Line (Teel-PISD Stadium): (Design)	875,000							875,000	875,000		A							02	
03	2152-WW Upper Doe Branch WW Line (Teel-PISD Stadium): (Easements)	100,000							100,000	100,000		A							03	
04	2152-WW Upper Doe Branch WW Line (Teel-PISD Stadium): (Construction)	7,050,000							7,050,000	7,050,000		A,K							04	
05	2322-WW Doe Branch, Phase 3 WWTP: (Design & Construction)	104,946,277							104,946,277	104,946,277		B	27,500,000	21,921,955	21,921,955					05
06	Denton ISD WW Line Reimbursement: (Design & Construction)	531,622							531,622	531,622		A							06	
07	CIP Salaries		200,000						200,000		200,000	I							07	
	Subtotal	129,756,226	200,000	0	0	0	0	0	129,956,226	128,756,226	1,200,000		31,250,000	25,798,619	25,798,619	0	0	0	0	
	Design	875,000	0	0	0	0	0	0	875,000				CO Bond Debt	0	0	0	0	0	0	
	Construction	7,050,000	0	0	0	0	0	0	7,050,000				GO Bond Debt	0	0	0	0	0	0	
	Design & Construction	121,731,226	200,000	0	0	0	0	0	121,931,226				Revenue Bond Debt	31,250,000	25,798,619	25,798,619	0	0	0	
	Land/Easements	100,000	0	0	0	0	0	0	100,000											
Index	Drainage Projects	Prior Years	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31-35	Total Cost</											

Summary of Capital Improvement Program - 2025-09-05 PROPOSED Capital Improvement Program Summary





APPENDIX



Supplemental Budget Requests

Each year departments are provided with a base operating budget for their department. Any additional funding requests are made as supplemental requests. There are two categories of supplemental request:

Non-Discretionary - These are considered necessary for maintaining service delivery at current levels, and are usually the result of goods or services required by the Town. These requests are considered higher priority than Discretionary packages, as denial of these requests would reduce the level of service currently provided to the citizens of Prosper. Non-Discretionary packages might include increased costs for maintenance contracts, electricity, paper and printing, postage, phone rates, internet access, etc.

Discretionary - These should be completed for new personnel or other increases or additions to current service levels. The Executive Team will rank all new Discretionary packages from each fund. The Town Manager will determine if the requests are funded in the budget submission to the Town Council. Every discretionary package will be presented to Town Council regardless of the funding status.

Discretionary packages are separated into three priority rankings:

Discretionary 1 - Must do

Discretionary 2 - Should do

Discretionary 3 - Nice to do

TOWN OF PROSPER
FY 2025-2026
FUNDED PACKAGES
GENERAL FUND

DIV / DEPT	PACKAGE TITLE	FTEs	NET ONE-TIME	NET ONGOING	TOTAL COSTS	REVENUE	TOTAL NET COST
Administration	Tyler ERP SaaS & Maintenance Fees	-	-	309,408	309,408	-	309,408
Town Manager	Placer.AI Contract	-	-	32,000	32,000	-	32,000
Town Secretary	Election Services	-	-	13,000	13,000	-	13,000
Town Secretary	Reclass Records Management Specialist to Deputy Town Secretary	-	-	18,842	18,842	-	18,842
Finance	1 Financial Services Specialist	1	970	82,502	83,472	-	83,472
Human Resources	HR Consultant for Benefits & Insurance	-	-	50,000	50,000	-	50,000
Information Technology	Digital Plan Review Platform Migration	-	22,299	73,500	95,799	-	95,799
Information Technology	New Copier Fleet Lease Agreement	-	-	20,000	20,000	-	20,000
Information Technology	Maintenance Renewal for Public Safety In-Vehicle Routers	-	20,745	-	20,745	-	20,745
Information Technology	Fiber Connectivity for Fire Station #4	-	-	13,800	13,800	-	13,800
Information Technology	Milestone Maintenance	-	-	3,115	3,115	-	3,115
Information Technology	SMS for myProsper	-	-	7,645	7,645	-	7,645
Information Technology	ZTNA VPN Renewal	-	-	25,272	25,272	-	25,272
Information Technology	Reclass IT Manager to Assistant Director - IT Operations	-	-	-	-	-	-
Police Operations	4 Police Officers	4	388,584	623,570	1,012,154	-	1,012,154
Police Operations	Vehicle Expense	-	-	171,949	171,949	-	171,949
Police Operations	MVCPA Task Force Grant	2	\$1,308,113.00	274,626	1,582,739	1,320,829	261,910
Police Operations	MVCPA Catalytic Converter Grant	-	371,800	-	371,800	309,834	61,966
Fire Operations	Apparatus Maintenance	-	-	75,000	75,000	-	75,000
Fire Operations	Fire Station #4 Minimum Staffing	9	87,406	1,068,555	1,155,961	-	1,155,961
Code Compliance	Contracted Services	-	-	189,400	189,400	-	189,400
Planning	Vehicle Maintenance & Fuel	-	-	7,000	7,000	-	7,000
Streets	Base Budget Increase - Equipment & Vehicle Expense	-	-	25,000	25,000	-	25,000
Traffic	School Zone Flasher Modem Renewals	-	-	25,000	25,000	-	25,000
Traffic	Damage Claim Contingency	-	-	-	-	-	-
Traffic	Fund Traffic Division	-	-	24,500	24,500	-	24,500
Traffic	Traffic Signal Technician	1	3,665	99,642	103,307	-	103,307
Parks Operations	1 Irrigation Technician	1	73,000	74,505	147,505	-	147,505
Parks Operations	Raymond Park Water Replacement	-	370,000	-	370,000	-	370,000
Parks Operations	Electricity Cost Increases	-	-	25,123	25,123	-	25,123
Parks Operations	Custodial Supplies for Raymond Park	-	-	4,000	4,000	-	4,000
Parks Operations	Irrigation Parts for New Properties	-	-	7,000	7,000	-	7,000
Parks Operations	1 Chemical Technician	1	23,000	72,878	95,878	-	95,878
Parks Operations	Fire Station #4 Grounds Maintenance	-	-	10,000	10,000	-	10,000
Parks Recreation	Increase to Base Budget - Credit Card Fees	-	-	1,830	1,830	-	1,830
Library	1 Circulation Supervisor	1	3,230	74,675	77,905	-	77,905
TOTAL FUNDED		20.0	2,672,812	3,503,337	6,176,149	1,630,663	4,545,486

TOWN OF PROSPER
FY 2025-2026
FUNDED PACKAGES
WATER/SEWER FUND

DIV / DEPT	PACKAGE TITLE	FTEs	NET ONE-TIME	NET ONGOING	TOTAL COSTS	REVENUE	TOTAL NET COST
Utility Customer Service	Increase Base Budget - Postage & Delivery	-	-	21,000	21,000	-	21,000
Water	1 Water System Technician/SCADA	1	57,814	115,254	173,068	-	173,068
Water	1 Utility Compliance Superintendent	1	57,167	136,116	193,283	-	193,283
Water	Custer Pump Station Preventative Maintenance	-	-	41,040	41,040	-	41,040
Water	Increase Meter Purchases	-	-	449,981	449,981	-	449,981
Water	Increase Base Budget - Vehicle Expense	-	-	25,000	25,000	-	25,000
Water	Increase Base Budget - System Improvements	-	-	50,000	50,000	-	50,000
Water	Tree Replacement at First Street Water Tower	-	12,000	-	12,000	-	12,000
Water	Increase Base Budget - Copier Expense	-	-	1,000	1,000	-	1,000
Water	Increase Base Budget - Dues, Fees, & Subscriptions	-	-	5,000	5,000	-	5,000
Wastewater	Conduct Smoke Testing	-	-	90,000	90,000	-	90,000
Wastewater	Automatic Transfer Switch at La Cima Lift Station	-	65,000	-	65,000	-	65,000
Wastewater	Increase Base Budget - Fuel	-	-	5,000	5,000	-	5,000
TOTAL FUNDED		2.0	191,981	939,391	1,131,372	-	1,131,372

TOWN OF PROSPER
FY 2025-2026
FUNDED PACKAGES
STORMWATER DRAINAGE FUND

DIV / DEPT	PACKAGE TITLE	FTEs	NET ONE-TIME	NET ONGOING	TOTAL COSTS	REVENUE	TOTAL NET COST
Public Works	1 Heavy Equipment Operator	1	-	92,797	92,797	-	92,797
Public Works	Increase to Base Budget - Vehicle Expense	-	-	2,000	2,000	-	2,000
	TOTAL FUNDED	1.0	-	94,797	94,797	-	94,797

Purpose of Financial Policies

A strategic visioning priority of the Town Council is to continue to provide excellent municipal services. The Town of Prosper has a responsibility to its citizens to not only protect public funds, but to also be prudent in the management of government finances while providing adequate funding for the services desired by the public and the maintenance of public facilities. The Town of Prosper has adopted several financial policies in addition to the Town Charter to guide the Finance Department and staff in financial matters. The Town strives to adhere to and follow all of the financial policies that have been adopted.

Charter Article VII - Financial Procedure Sections

As Revised May 6, 2017

ARTICLE VII

Financial Procedures

SECTION 7.01 Fiscal Year

The fiscal year of the Town shall begin on the first day of October and end on the last day of September on the next succeeding year. Such fiscal year shall also constitute the budget and accounting year.

SECTION 7.02 Submission of Budget and Budget Message

On or before the fifteenth (15th) day of August of the fiscal year, the Town Manager shall submit to the Town Council a budget for the ensuing fiscal year and an accompanying budget message.

SECTION 7.03 Budget Message

The Town Manager's message shall explain the budget both in fiscal terms and in terms of the work programs. It shall outline the proposed financial policies of the Town for the ensuing fiscal year, describe the important features of the budget, indicate any major changes from the current year in financial policies, expenditures, and revenues together with the reasons for such changes, summarize the Town's debt position and include such other material as the Town Manager deems desirable.

SECTION 7.04 Budget a Public Record

The budget and all supporting schedules shall be filed with the person performing the duties of Town Secretary when submitted to the Town Council and shall be open to public inspection by anyone interested.

SECTION 7.05 Public Hearing on Budget

At the Town Council meeting when the budget is submitted, the Town Council shall name the date and place of a public hearing, which shall be scheduled and published in accordance with the requirements of Chapter 102, Local Government Code, as amended. At this hearing, interested citizens may express their opinions concerning items of expenditures, giving their reasons for wishing to increase or decrease any items of expense.

SECTION 7.06 Proceeding on Adoption of Budget

After public hearing, the Town Council shall analyze the budget, making any additions or deletions which they feel appropriate, and shall, prior to the beginning of the next fiscal year, adopt the budget by the affirmative vote of a majority of the full membership of the Town Council. Should the Town Council take no final action on or prior to such day, the current budget shall be in force on a month-to-month basis until a new budget is adopted.

SECTION 7.07 Budget, Appropriation and Amount to be Raised by Taxation

On final adoption, the budget shall be in effect for the budget year. Final adoption of the budget by the Town Council shall constitute the official appropriations as proposed by expenditures for the current year and shall 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. Estimated expenditures will in no case exceed proposed revenue plus the undesignated fund balance from the previous fiscal year. Unused appropriations may be transferred to any item required for the same general purpose.

Charter Article VII - Financial Procedure Sections

As Revised May 6, 2017

SECTION 7.08 Contingent Reserve

Provision shall be made in the annual budget maintaining a contingency reserve fund balance designation in an amount not less than twenty percent (20%) of the total general fund expenditures, to be used in case of unforeseen items of expenditure or revenue shortfalls. This shall apply to current operating expenses and shall not overlap with any other amount of reserves maintained by the Town. Such contingency reserve appropriation shall be under the control of the Town Manager and distributed by him or her only in the event of an emergency or after supplemental appropriation by the Town Council. The proceeds of the contingency reserves shall be disbursed only by transfer to departmental appropriation, the spending of which shall be charged to the departments or activities for which the appropriations are made.

SECTION 7.09 Amending the Budget

Under conditions which may arise and which could not reasonably have been foreseen in the normal process of planning the budget, the Town Council may, by the affirmative vote of a majority of the full membership of the Town Council, amend or change the budget to provide for any additional expense in which the general welfare of the citizenry is involved. These amendments shall be by ordinance, and shall become an attachment to the original budget.

SECTION 7.10 Certification; Copies Made Available

A copy of the budget, as finally adopted, shall be filed with the person performing the duties of Town Secretary and such other places required by state law or as the Town Council shall designate. The final budget shall be printed or otherwise reproduced and sufficient copies shall be made available for the use of all offices, agencies, and for the use of interested persons and civic organizations.

SECTION 7.11 Capital Program

The Town Manager shall submit a five-year (5-year) capital program as an attachment to the annual budget. The program as submitted shall include:

- (1) A clear general summary of its contents;
- (2) A list of all capital improvements which are proposed to be undertaken during the five (5) fiscal years succeeding the budget year, with appropriate supporting information as to the necessity for such improvements;
- (3) Cost estimates, method of financing, and recommended time schedules for each improvement; and
- (4) The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

The above information may be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition. The Capital program will be updated and presented to the Town Council annually.

SECTION 7.12 Defect Shall Not Invalidate the Tax Levy

Errors or defects in the form or preparation of the budget or the failure to perform any procedural requirements shall not nullify the tax levy or the tax rate.

Charter Article VII - Financial Procedure Sections

As Revised May 6, 2017

SECTION 7.13 Lapse of Appropriations

Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made had been accomplished or abandoned. The purpose of any such appropriation shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation. Any funds not expended, disbursed or encumbered shall be deemed excess funds.

SECTION 7.14 Borrowing

The Town shall have the power to borrow money on the credit of the Town and also to issue or incur bonds and other evidences of indebtedness, and such powers may be exercised to finance public improvements or for any other public purpose not prohibited by the Constitution and the laws of the State of Texas, and the Town may issue refunding bonds to refund outstanding bonds and other evidences of indebtedness of the Town previously issued or incurred. All such bonds and other evidences of indebtedness shall be issued in conformity with the laws of the State of Texas and may be secured by or paid, in whole or in part, from ad valorem tax revenues, revenues derived from other taxing powers of the Town, revenues derived by the Town from any fee or service charge, including revenues derived from the operations of any public utilities, utility systems, recreational facilities or any other municipal function to the extent not prohibited by the Constitution and laws of the State of Texas. Such bonds or evidences of indebtedness may be a charge upon and payable from the properties, or interest therein pledged, or the income therefrom, or both to the extent not prohibited by the Constitution or laws of the State of Texas. The proceeds of bonds or other evidences of indebtedness issued or incurred by the Town shall be used only for the purpose for which the bonds or other indebtedness was issued or incurred.

SECTION 7.15 Purchasing

- (1) The Town Council may by ordinance, give the Town Manager general authority to contract for expenditure without further approval of the Town Council for all budgeted items not exceeding limits set by the Town Council within the ordinance.
- (2) All contracts for expenditures or purchases involving more than the limits must be expressly approved in advance by the Town Council. All contracts or purchases involving more than the limits set by the Town Council shall be awarded by the Town Council in accordance with state law.
- (3) Emergency contracts as authorized by law and this Charter may be negotiated by the Town Council or Town Manager if given authority by the Town Council, without competitive bidding, and in accordance with State law. Such emergency may be declared by the Town Manager and approved by the Town Council or declared by the Town Council.

Charter Article VII - Financial Procedure Sections
As Revised May 6, 2017

SECTION 7.16 Administration of Budget

- (1) No payment shall be made or obligation incurred against any allotment or appropriation except in accordance with appropriations duly made, unless the Town Manager, or the Town Manager's designee, first certifies that there is a sufficient unencumbered balance in such allotment or appropriation and that sufficient funds therefrom are or will be available to cover the claim or meet the obligation when it becomes due and payable.
- (2) Any authorization of payment or incurring of obligation in violation of the provisions of this Charter shall be void and any payment so made illegal. Such action shall be cause for removal of any officer who knowingly authorized or made such payment or incurred such payment or obligation, and the officer shall also be liable to the Town for any amount so paid.
- (3) This prohibition shall not be construed to prevent the making or authorizing of payments, or making of contracts for capital improvements to be financed wholly or partly by the pledge of taxes, the issuance of bonds, time warrants, certificates of indebtedness, or certificates of obligation, or to prevent the making of any contract or lease providing for payments beyond the end of the fiscal year, providing that such action is made or approved by ordinance.
- (4) The Town Manager shall submit to the Town Council each month a report covering the revenues and expenditures of the Town in such a form as requested by the Town Council.

SECTION 7.17 Depository

All monies received by any person, department or agency of the Town for or in connection with the affairs of the Town shall be deposited promptly in the Town depository or depositories. The Town depositories shall be designated by the Town Council in accordance with such regulations and subject to the requirements as to security for deposits and interest thereon as may be established by ordinance and law. Procedures for withdrawal of money or the disbursement of funds from the Town depositories shall be prescribed by ordinance.

SECTION 7.18 Independent Audit

At the close of each fiscal year, and at such other times as may be deemed necessary, the Town Council shall call for an independent audit to be made of all accounts of the Town by a certified public accountant. No more than five (5) consecutive annual audits shall be completed by the same firm. The certified public accountant selected shall have no personal interest, directly or indirectly, in the financial affairs of the Town or any of its officers. The report of audit, with the auditor's recommendations will be made to the Town Council. Upon completion of the audit, the Independent Auditor's Report and Annual Financial Report shall be published on the Town's website and copies of the audit placed on file in the office of the person performing the duties of Town Secretary, as a public record.

Charter Article VII - Financial Procedure Sections
As Revised May 6, 2017

SECTION 7.19 Power to Tax

- (1) The Town shall have the power to levy, assess and collect taxes of every character and type for any municipal purpose not prohibited by the Constitution and laws of the State of Texas as now written or hereafter amended.
- (2) The Town shall have the power to grant tax exemptions in accordance with the laws of the State of Texas.

SECTION 7.20 Office of Tax Collector

There shall be an office of taxation to collect taxes, the head of which shall be the Town Tax Collector. The Town Council may contract for such services.

SECTION 7.21 Taxes; When Due and Payable

- (1) All taxes due in the Town shall be payable at the office of the Town Tax Collector, or at such location or locations as may be designated by the Town Council, and may be paid at any time after the tax rolls for the year have been completed and approved. Taxes for each year shall be paid before February 1 of the next succeeding year, and all such taxes not paid prior to that date shall be deemed delinquent, and shall be subject to penalty and interest as the Town Council shall provide by ordinance. The Town Council may provide discounts for the payment of taxes prior to January 1 in an amount not to exceed those authorized by the laws of the State of Texas.
- (2) Failure to levy and assess taxes through omission in preparing the appraisal rolls shall not relieve the person, firm or corporation so omitted from obligation to pay such current or past due taxes as shown to be payable by recheck of the rolls and receipts for the years in question, omitting penalty and interest.

SECTION 7.22 Tax Liens, Liabilities and Suits

- (1) All taxable property located in the Town on January 1 of each year shall stand charged from that date with a special lien in favor of the Town for taxes due. All persons purchasing any such property on or after January 1 in any year shall take the property subject to the liens provided above. In addition to the liens herein provided, on January 1 of any year, the owner of property subject to taxation by the Town shall be personally liable for the taxes due for that year.
- (2) The Town shall have the power to sue for and recover personal judgement for taxes without foreclosure, or to foreclose its lien or liens, or to recover both personal judgement and foreclosure. In any such suit where it appears that the description of any property in the Town appraisal rolls is insufficient to identify such property, the Town shall have the right to plead a good description of the property to be assessed, to prove the same, and to have its judgement foreclosing the tax lien or for personal judgement against the owners for such taxes.

TOWN OF PROSPER ADMINISTRATIVE REGULATIONS

CHAPTER 17: FINANCIAL MANAGEMENT POLICY

SECTION 17.01: PURPOSE AND OVERVIEW

This policy is developed to help guide the Finance Department, and staff in financial management and budgeting matters. The overriding goal of the Financial Management Policy is to enable the Town to achieve a long-term stable and positive financial condition while accomplishing the Town's long-term strategic goals. All financial operations will be under the direction of the Town Manager, consistent with the council-manager form of government established in the Town Charter.

The rapid growth experienced by the Town produces both financial opportunities and challenges. Often many years of sustained growth must occur before major capital expenditures for new facilities and infrastructure are justified and affordable. Often by the time needed improvements are made growth has slowed and only a limited amount of new revenue is available. If property tax revenues are not reserved for those future improvements including related staffing increases, significant financial stress and the need for major tax rate increases will occur.

SECTION 17.02: SCOPE

The scope of the Town's Financial Management Policies spans accounting, auditing, financial reporting, internal controls, annual operating and multi-year capital budgeting, revenue management, cash management, expenditure control, and debt management.

SECTION 17.03: ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

A. Accounting

The Town's Accounting Manager is responsible for establishing and maintaining the chart of accounts, and for properly recording financial transactions.

B. Funds

Self-balancing groups of accounts are used to account for the Town's financial transactions in accordance with generally accepted accounting principles. Each fund is created for a specific purpose except for the General Fund, which is used to account for all transactions not accounted for in other funds. In essence, the General Fund is intended for governmental tax supported operations of the Town. Funds are created and fund names are changed by Town Council approval through resolution either during the year or in the Town Council's approval of the annual operating budget ordinances. (See Fund Balance Policy)

C. External Auditing

At the close of each fiscal year, and at such other times as may be deemed necessary, the Town Council shall call for an independent audit to be made of all accounts of the Town. The auditors must be a certified public accounting firm capable of conducting the Town's audit in accordance with generally accepted auditing standards, generally accepted government auditing standards, and contractual requirements. No more than five (5) consecutive annual audits shall be completed by the same firm. The certified public accountant selected shall have no personal interest, directly or indirectly, in the financial affairs of the Town or any of its officers, be a member of the Government Audit Quality Center of the AICPA and have a minimum of ten other government audit and single audit clients.

The report of the audit, with the auditor's recommendations will be made to the Town Council. Upon completion of the audit, the Independent Auditor's Report and Annual Financial Report shall be published on the Town's website and copies of the audit placed on file in the office of the person performing the duties of Town Secretary, as public record. (See Town Charter Article VII, Section 7.18 Independent Audit)

D. External Financial Reporting

The Town will prepare and publish a Annual Comprehensive Financial Report (ACFR). The ACFR will be prepared in accordance with generally accepted accounting principles, and will be presented annually to the Government Finance Officers Association (GFOA) for evaluation and awarding of the Certification of Achievement for Excellence in Financial Reporting. The ACFR will include the General Fund Budget and Actual information as a basic financial statement and therefore included in the audit opinion. It will be published and presented to Town Council within 180 days after the end of the fiscal year.

E. Internal Financial Reporting

The Finance Department will prepare internal financial reports sufficient for management to plan, monitor, and control the Town's financial affairs throughout the year.

SECTION 17.04: INTERNAL CONTROLS

A. Written Procedures

The Finance Director is responsible for developing town-wide written guidelines on accounting, cash handling, grant management, and other financial matters.

B. Department Directors Responsibilities

Each department director is responsible to the Town Manager to ensure that good internal controls are followed throughout his or her department, that all guidelines on accounting and internal controls are implemented, and that all independent auditor internal control recommendations are addressed.

SECTION 17.05: OPERATING BUDGET

A. Preparation

The Town's annual "Operating Budget" is legally adopted by ordinance and may only be amended by similar action. It consists of governmental and proprietary funds, including the general obligation and revenue supported Debt Service Fund, but excluding Capital Projects Funds which are adopted on a multi-year project basis. The budget is prepared by the Finance Department with the cooperation of all Town departments and is submitted to the Town Manager who makes any necessary changes and transmits the document on or before the fifteenth (15th) day of August of the fiscal year to Town Council.

The proposed budget and all supporting schedules shall be filed with the Town Secretary when submitted to the Town Council and shall be open to public inspection by anyone interested. Thereafter, the Town Council should enact the final budget prior to fiscal year end. **Balanced Budget**

The final adoption of the operating budget by the Town Council shall constitute the official appropriations as proposed by expenditures for the current year and shall 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. Estimated recurring expenditures will not exceed proposed recurring revenue. Non-recurring expenditures may be funded from recurring revenues, non-recurring revenues and other sources or from undesignated fund balance in excess of the contingency reserve. Unused appropriations may be transferred during the year by the Town Manager within the level of budgetary control to any item required for the same general purpose. Items ordered during the year but not yet received will be encumbered and carried over for two months following year end at which they will expire unless carried over to the new year,

Budgetary Display

Formatting of the annual operating budget shall be done in a way so that readers can easily distinguish between:

- a) A structurally balanced "breakeven" budget in which recurring revenues are equal or greater than recurring expenditures and total expenditures and other uses are equal to total revenues and other uses resulting in an unchanged projected ending fund balance
- b) A surplus budget in which recurring revenues are equal or greater than recurring expenditures and total expenditures and other uses are less than total revenues and other sources resulting in a projected increase in fund balance. This budget should generally only be used when previous year fund balance has fallen below policy guidelines creating a need to rebuild fund balance.
- c) A structurally balanced budget in which recurring revenues are equal or greater than recurring expenditures but total expenditures and other uses including non-recurring expenditures and uses are greater than total revenues and other sources resulting in a planned drawdown of fund balance that is within policy guidelines.
- d) A deficit budget that is either unbalanced because recurring expenditures exceed recurring revenues or a budget that draws fund balance below policy guidelines. This type of budget is prohibited by this policy.

B. Budgetary Control

The level of budgetary control is the department level budget in the General Fund, Utility Fund, and the fund level in all other funds. Under conditions which may arise and which could not reasonably have been foreseen in the normal process of planning the budget, the Town Council may, by the affirmative vote of a majority of the full membership of the Town Council, amend or change the budget to provide for any additional expense in which the general welfare of the citizenry is involved. These amendments shall be by ordinance, and shall become an attachment to the original budget.

C. Tax Rate Management

The property tax rate is divided into two categories by state law: Maintenance & Operations (M & O) and Debt Service (also referred to as the Interest & Sinking Fund or I & S). Debt service tax rate is strictly limited to payment of principal and interest on general obligation debt. Maintenance and operations can be used for a wider range of purposes but is limited by state law regarding how much revenue may increase before triggering a mandatory election. For this reason, once reduced, it is very difficult to increase. Recognizing the need to manage its debt levels and to have adequate revenue capacity to staff and operate future facilities without requiring a tax rate increase the Town will determine annually how much of the M & O rate can be designated a "Capital Dedicated/Future Facility Staffing". This levy will be used to reduce needed debt issuance but will ultimately be available to transfer back to the General Fund once growth has slowed but new facilities are still being brought on-line.

D. Contingency Reserve

Provisions shall be made in the annual budget maintaining a contingency reserve fund balance designation in an amount not less than twenty percent (20%) of the total general fund expenditures, to be used in case of unforeseen items of expenditure or revenue shortfalls. (See Town Charter Article VII, Section 7.08). It is also the goal of the Town to achieve and maintain an unassigned fund balance in the General Fund equal to five percent (5%) of budgeted expenditures for unanticipated expenditures, unforeseen revenue fluctuations, or other adverse circumstances. These contingency reserves are further detailed in the Town's Fund Balance Policy.

E. Planning

The budget process will be coordinated in concert with the Town Council's major strategic planning objectives. A one-year budget is adopted each year and a four-year financial plan is presented to help manage the decisions made for the next fiscal year and the impact it has on future fiscal responsibilities.

F. Reporting

Periodic financial reports will be prepared to enable the department directors to manage their budgets and to enable the Finance Department to monitor and control the budget as authorized by the Town Council. Summary financial reports will be presented to the Town Council each month. Such reports will include current year revenue and expenditures in comparison to budget and prior year actual revenues and expenditures. **Performance Measures and Productivity Indicators**

Where appropriate, performance measures and productivity indicators will be used as guidelines and reviewed for efficiency and effectiveness. This information will be included in the annual budgeting processes.

SECTION 17.06: CAPITAL IMPROVEMENT PROGRAM

A. Preparation

The Town's Capital Improvement Program will include all capital projects. The Capital Improvement Program will be prepared annually to be a comprehensive five-year (5) capital program as an attachment to the annual budget.

B. Program Planning

The program as submitted shall include:

1. A clear general summary of its contents;
2. A list of all capital improvements which are proposed to be undertaken during the five (5) fiscal years succeeding the budget year, with appropriate supporting information as to the necessity for such improvements;
3. Cost estimates, method of financing, and recommended time schedules for each improvement; and
4. The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

The above information may be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition. The Capital Improvement Program will be updated and presented to the Town Council, annually.

C. Alternate Resources

Where applicable, assessments, impact fees, or other user-based fees should be used to fund capital projects, which have a primary benefit to certain property owners.

D. Debt Financing

Recognizing that debt is usually a more expensive financing method, alternative financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives, which equal or exceed the average life of the debt issued. The exceptions to this requirement are the traditional costs of marketing and issuing the debt, capitalized labor for design and construction of capital projects, and small component parts, which are attached to major equipment purchases.

E. Reporting

Periodic financial reports will be prepared to enable the department managers to manage their capital budgets and to enable the Finance Department to monitor the capital budget as authorized by the Town Council.

SECTION 17.07: REVENUE MANAGEMENT

A. Simplicity

The Town will strive to keep the revenue system simple, which will result in a decrease of compliance costs for the taxpayer or service recipient and a corresponding decrease in avoidance to pay.

B. Administration

The benefits of revenue will exceed the cost of producing the revenue. The cost of collection will be reviewed annually for cost effectiveness. Where appropriate, the Town will use the administrative processes of state or federal collection agencies in order to reduce administrative costs.

C. Dedication of Revenues

Revenues will not be dedicated for specific purposes unless required by law or contractual provisions.. All non-restricted revenues will be deposited into the General Fund and appropriated by the budget process.

D. Financial Stability

Current revenues will fund current expenditures and one-time revenues will not be used for ongoing operations. Non-recurring revenues will be used only for non-recurring expenditures. Care will be taken not to use these revenues for budget balancing purposes.

E. Property Tax Revenues

Property shall be assessed at 100% of the fair market value as appraised by the Collin and Denton Appraisal Districts. Reappraisal and reassessment shall be done regularly, as required by state law.

All delinquent taxes will be pursued and turned over to a private attorney. A penalty will be assessed to compensate the attorney as allowed by state law, and in accordance with the attorney's contract.

F. User-Based Fees

For services associated with a user fee or a fee to offset charge, the direct and indirect costs of that service will be imposed. There will be a periodic review of fees and charges to ensure that

fees provide adequate coverage of costs of services. User charges may be classified as “full cost recovery,” “partial cost recovery,” and “minimal cost recovery,” based on Town Council policy.

G. Impact Fees

Impact fees are currently imposed for water, wastewater, and roadway in accordance with applicable Town ordinances and state law. Impact fees will be re-evaluated at least every five years, as required by law.

H. Utility Rates

The Town will review utility rates periodically, and if necessary, adopt new rates that will generate revenues required to fully cover operating expenses, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital needs and debt service requirements. This policy does not preclude drawing down cash balance to finance current operations. However, it is best that any extra cash balance be used instead to finance capital projects.

I. Interest Income

Interest earned from investment of available cash resources, whether pooled or not, will be distributed to the funds in accordance with the average monthly cash balances.

J. Revenue Monitoring

Revenues actually received will be regularly compared to budgeted revenues and variances will be investigated. This process will be summarized in the appropriate budget report.

SECTION 17.08: EXPENDITURE CONTROL

A. Appropriations

The level of budgetary controls is explained in Section 17.05.C. Budgetary Control. When budget amendments between departments and/or funds are necessary, Town Council must approve these. Budget appropriation amendments at lower levels of control shall be made in accordance with the applicable administrative procedures.

B. Purchasing

All purchases shall be in accordance with the Town's Purchasing Policy.

C. Lapse of Appropriations

Every appropriation, except an appropriation for capital expenditures, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been

accomplished or abandoned. The purchase of any such appropriation shall be deemed abandoned if three (3) years pass without any disbursement form or encumbrance of the appropriation. Any funds not expended, disbursed or encumbered shall be deemed excess funds.

SECTION 17.09: ASSET MANAGEMENT

A. Investments

The Town's investment practices will be conducted in accordance with the Public Funds Investment Act (PFIA) and the Town Council approved Investment Policy and Strategy.

B. Cash Management

The Town's cash flow will be managed to maximize the cash available to invest.

C. Investment Performance

A quarterly report on investment performance will be provided by the Finance Director for presentation to the Town Council.

D. Fixed Assets and Inventory

These assets will be reasonably safeguarded and properly accounted for, and prudently insured.

SECTION 17.10: FINANCIAL CONDITION AND RESERVES

A. No Operating Deficits

Current expenditures will be paid with current revenues and prior year surplus. Deferrals, short-term loans, or one-time resources will be avoided as budget balance techniques. Reserves will be used only for emergencies or non-recurring expenditures.

B. Operating Reserves

In accordance with GASB-54, it is the policy of the Town to classify fund balances as Non-spendable, Restricted, Committed, Assigned, or Unassigned and develop policy for establishment and activity of each classification. See Fund Balance Policy that defines such categories.

C. Minimum Unassigned Fund Balance

It is the goal of the Town to achieve and maintain an unassigned fund balance in the General Fund equal to five percent (5%) of budgeted expenditures for unanticipated expenditures, unforeseen revenue fluctuations, or other adverse circumstances. This amount is in addition to the twenty percent (20%) restricted fund balance amount required by the Town Charter.

D. Risk Management Program

The Town will aggressively pursue every opportunity to provide for the public's and Town employees' safety and to manage its risks.

E. Loss Financing

All reasonable options will be investigated to finance losses. Such options may include risk transfer, insurance, and risk retention.

F. Enterprise Fund Self-Sufficiency

The Town's enterprise funds' resources will be sufficient to fund operating and capital expenditures. The enterprise funds will pay (where applicable) their fair share of general and administrative expenses in lieu of property taxes and/or franchise fees. If an enterprise fund is temporarily unable to pay all expenses, then the Town Council may waive general and administrative expenses in lieu of property taxes and/or franchise fees until the fund is able to pay them.

G. Special Purpose Districts Cash Reserves

The Town has two Special Purpose Districts: Crime Control and Prevention Special Purpose District; and Fire Control, Prevention and Emergency Medical Services Special Purpose District. It is the desire of the Town to maintain a cash reserve balance equal to twenty-five thousand dollars in each of the Special Purpose Districts beginning in fiscal year 20-21 and future fiscal years.

H. Contingent Budget Measures

Economic downturns including recessions are inevitable even in a rapidly growing community. The dynamic economy of both Texas and Dallas Fort Worth metroplex and Prosper's location in the northern growth path make it likely that even recessions will be more a "pause" rather than a "stop". However, the town must ensure that a structurally balanced budget is maintained even if debt issuance and staffing additions must be paused until the economy recovers.

SECTION 17.11: DEBT MANAGEMENT

A. General

The Town's borrowing practices will be conducted in accordance with the Town Council approved Debt Management and Debt Post Issuance Policies.

B. Self-Supporting Debt

When appropriate, self-supporting revenues will pay debt services in lieu of tax revenues.

C. Analysis of Financing Alternatives

The Town will explore all financing alternatives in addition to long-term debt including leasing, grants and other aid, developer contributions, impact fees, and use of reserves.

D. Voter Authorization

The Town shall obtain voter authorization before issuing General Obligation Bonds as required by law. In general, voter authorization is not required for the issuance of Revenue Bonds and Certificates of Obligation.

SECTION 17.12: STAFFING AND TRAINING

A. Adequate Staffing

Staffing levels will be adequate for the fiscal functions of the Town to function effectively. Comparison of workload and staffing levels of comparison cities will be explored before adding staff.

B. Training

The Town will support the continuing education efforts of all financial staff including the investment in time and materials for maintaining a current perspective concerning financial issues. Staff will be held accountable for communicating, teaching, and sharing with other staff members all information and training materials acquired from seminars, conferences, and related education efforts.

C. Awards, Credentials

The Town will support efforts and involvements which result in meeting standards and receiving exemplary recitations on behalf of any of the Town's fiscal policies, practices, processes, products, and personnel. Staff certifications may include Certified Public Accountant, Certified Management Accountant, Certified Internal Auditor, Certified Payroll Professional, Certified Government Finance Officer, Professional Public Buyer, Certified Cash Manager, PFIA investment training, and others as approved by the Town Manager upon recommendation of the Finance Director.

SECTION 17.13: GRANT MANAGEMENT

A. General

The Town's grant management practices will be conducted in accordance with the Town's Grant Management Policy.

TOWN OF PROSPER ADMINISTRATIVE REGULATIONS

CHAPTER 15:C DEBT MANAGEMENT POLICY

SECTION 15.01: PURPOSE AND OVERVIEW

The Town of Prosper recognizes that the foundation of any well-managed debt program are comprehensive debt management and post issuance policies that are fully integrated with the long-term capital plan and related five-year operating budget forecasts. This policy outlines the need to identify all possible non-debt capital plan funding sources first, and then establishes parameters for issuing new debt and managing the existing debt portfolio. It identifies permissible and preferred types, structures and amounts of debt; providing guidance to decision makers regarding the purposes for which debt may be issued. This policy is aligned and compliments Chapter 16: Debt Post Issuance-Monitoring and Compliance Policy.

Adherence to a debt management policy helps ensure that the Town maintains the current or an improved bond rating in order to minimize borrowing costs and preserve access to credit.

The Town's Debt Management Policy ("the Debt Policy") provides guidance for staff to promote:

1. High quality debt management decisions;
2. Support for debt issuances both internally and externally;
3. Order and discipline in the debt issuance process;
4. Consistency and continuity in the decision making process;
5. A positive perception of the debt management program by rating agencies, investment community and taxpayers; and
6. A commitment to long-term financial planning objectives.

SECTION 15.02: SCOPE

This Policy applies to all debt instruments issued by the Town regardless of the funding source. Funding sources can be derived from, and debt secured by, ad valorem taxes, general Town revenues, enterprise fund revenues or any other identifiable source of revenue that may be identified for appropriate pledging for bonded indebtedness.

SECTION 15.03: OBJECTIVES

The primary objective of this Policy is to ensure that the Town establishes and maintains a solid position with respect to its debt service and bond proceed funds and that proceeds from long-term

debt will not be used for current operations but rather for capital improvements, and related expenses, and other long-term assets in accordance with state law and Town ordinances.

The Town will seek all possible federal and state reimbursement for mandated projects and/or programs. The Town will pursue a balanced relationship between issuing debt and pay-as-you-go financing as dictated by prevailing economic factors and as directed by the Town Council.

Other objectives include:

1. Bonds shall be paid back within a period not to exceed, and preferably sooner than, the expected useful life of the capital project;
2. Decisions shall be made based on a number of factors and will be evaluated against long-term goals rather than a short-term fix; and
3. Debt service and bond proceed funds shall be managed and invested in accordance with all federal, state and local laws and in conjunction with the Tax Compliance Certificate of each bond issue to assure availability to cover project costs and debt service payments when due.

SECTION 15.04: IMPLEMENTATION

The Policy requires:

1. Payment of principal and interest on all outstanding debt in full and timely manner;
2. Incurrence of debt for those purposes permissible under State law and the home-rule charter of the Town;
3. Development, approval and financing of capital improvements in accordance with Town Code and the capital improvement budgeting process;
4. Structuring of principal and interest retirement schedules to: 1) achieve a low borrowing cost for the Town, 2) accommodate the debt service payments of existing debt, and 3) respond to perceptions of market demand. Shorter maturities shall always be encouraged to demonstrate to rating agencies that debt is being retired at a sufficiently rapid pace;
5. Selection of a method of sale that shall maximize the financial benefit to the Town;
6. Effective communication with bond rating agencies to ensure complete and clear understanding of the credit worthiness of the Town; and
7. Full, complete, and accurate disclosure of financial conditions and operating results in every financial report, bond prospectus and Annual Information Statement ("AIS"). All reports shall conform to guidelines issued by the Government Finance Officers Association ("GFOA"), Securities and Exchange Commission ("SEC"), and the Internal Revenue Service (IRS) to meet the disclosure needs of rating agencies, underwriters, investors, and taxpayers.

SECTION 15.05: STRUCTURE OF DEBT

Debt service shall be structured to the greatest extent possible to:

1. Target projected cash flows and pledged revenues;
2. Minimize the impact on future tax levies;
3. Target a consistent and as rapid as feasible payment of principal;
4. Maintain a level overall annual debt service payment structure; and
5. Target the equal or the lesser of the useful life of the asset being financed, or the maximum legal maturity for the obligations issued to finance the acquisition and construction of the asset.

A. Fixed Interest versus Variable Interest

The Town generally issues fixed rate bonds primarily to protect the Town against interest rate risk. The Town has the option to issue variable rate bonds if market conditions warrant and Council approves it.

B. Other Considerations

Bonds are generally issued such that:

1. The final maturity is 20 years or less for general obligation bonds and revenue bonds, the Town may choose a longer term for revenue bonds for projects whose lives are greater than 20 years.
2. Debt service interest is paid in the first fiscal year after a bond sale, and principal is targeted to commence no later than the second fiscal year after the debt is issued. However, the Town may defer principal for a longer period of time in order to maintain a specific I&S tax rate or a certain level of debt service.
3. Call provisions for bond issues shall be made as short as possible consistent with the lowest interest cost to the Town. The targeted maximum length to call is 10 years.

SECTION 15.06: FINANCING ALTERNATIVES

The Town shall develop a level of cash and debt funded capital improvement projects that provide the citizens with the desired amount of Town services at the lowest cost. Town staff shall assess all financial alternatives for funding capital improvements prior to issuing debt.

Long-term general obligation debt, including certificates of obligation, or revenue bonds shall be issued to finance significant and desirable capital improvements. Proceeds of general obligation debt will be used only for the purposes approved by voters in bond elections or set forth in the notices of intent for certificates of obligation or to refund previously issued general obligation bonds, certificates of obligation or revenue bonds. All bonds shall be sold in accordance with applicable law.

A. Pay-As-You-Go Financing

Pay-as-you-go financing should be considered before issuing any debt. Pay-as-you go financing may include: intergovernmental grants from federal, state and other sources, current revenues or fund balances, private sector contributions, and public/private partnerships. Once the Town has determined that pay-as-you-go is not a feasible or sufficient financing option, the Town may use bonds, loans, or other debt financing sources as deemed appropriate by Town staff and approved by Council.

B. General Obligation Bonds

General obligation bonds may be used if the following criteria are met:

1. The size of the issuance is \$1 million or above;
2. The GO bond funds are used for new and expanded facilities, major repair or renovations to existing facilities, or quality-of-life projects;
3. The useful life of the capital asset acquired/constructed/improved will be ten (10) years or more, or the funds will extend the useful life of an asset for more than ten (10) years; and
4. Voter authorization is given through approval in a bond election in accordance with State law.

GO bonds may be used to fund quality-of-life projects that include, but are not limited to, the Town's parks, libraries, non-public safety facilities, internet and entertainment, sports and amusement-type facilities.

C. Certificates of Obligation

COs will be issued for the following projects/acquisitions:

1. Finance permanent improvements and land acquisition;
2. Acquire equipment/vehicles;
3. Leverage grant funding;
4. Renovate, acquire, construct facilities and facility improvements;
5. Construct street improvements;
6. Provide funding for master plans/studies;

7. Infrastructure projects (including street, water and sewer and drainagework)
8. Emergency Town facilities rehabilitation (storm water drainage, etc.)
9. Major core service facilities (police, fire, streets, etc.)

Notwithstanding the policy set forth herein, certificates of obligation or other long-term debt may be considered if the following criteria are met:

1. The need for the project is urgent and immediate;
2. The project(s) is necessary to prevent an economic loss to the Town;
3. Source of revenue is specific and can be expected to cover the additional debt;
4. The expected debt is the most cost effective financing option available.

In addition, the final maturity of non-voter approved debt shall not exceed the average life of the project financed. Capital items shall have a value of at least \$5,000 and a life of at least four years.

D. Reimbursement Resolutions

Reimbursement resolutions, if required for funds to be advanced prior to issuance of general obligation debt, may be used for projects funded through General Obligation Bonds and Certificates of Obligation.

E. Certificates of Obligations - Enterprise Fund

Certificates of obligation for an enterprise system will be limited to only those projects, which can demonstrate the capability to support the certificate debt either through its own revenues, or another pledged source other than ad valorem taxes and meet the same criteria as outlined above.

F. Revenue Bonds

Revenue bonds may be issued for projects that generate revenues that are sufficient to repay the debt. Except where otherwise required by state statutes, revenue bonds may be issued without voter approval and only in accordance with the laws of Texas.

G. Other debt obligations

The use of other debt obligations, permitted by law, including but not limited to public property finance act contractual obligations, pension obligation bonds; tax notes and lease purchase obligations will be reviewed on a case-by-case basis. The findings above will be considered for the use of these obligations.

SECTION 15.07: METHODS OF SALE

The Town's debt obligations may be sold by competitive or negotiated sale methods. The selected method of sale depends upon the option which is expected to result in the lowest cost and most favorable terms to the Town given the financial structure used, market conditions, and prior experience. When considering the method of sale, the Town may consider the following issues:

1. Financial conditions;
2. Market conditions;
3. Transaction-specific conditions;
4. Town-related conditions;
5. Risks associated with each method;
6. Complexity of the Issue – Municipal securities with complex security features require greater marketing and buyer education efforts on the part of the underwriter, to improve the investors' willingness to purchase;
7. Volatility of Bond Yields – If municipal markets are subject to abrupt changes in interest rates, there may be a need to have some flexibility in the timing of the sale to take advantage of positive market changes or to delay a sale in the face of negative market changes;
8. Familiarity of Underwriters with the Town's Credit Quality – If underwriters are familiar with the Town's credit quality, a lower True Interest Cost (TIC) may be achieved. Awareness of the credit quality of the Town has a direct impact on the TIC an underwriter will bid on an issue. Therefore, where additional information in the form of presale marketing benefits the interest rate, a negotiated sale may be recommended. The Town strives to maintain an excellent bond rating. As a result, the Municipal Bond Market is generally familiar with the Town's credit quality; and
9. Size of the Issue – The Town may choose to offer sizable issues as negotiated sales so that pre-marketing and buyer education efforts may be done to more effectively promote the bond sale.

A. Competitive Sale

In a competitive sale, bonds are awarded in a sealed bid sale to an underwriter or syndicate of underwriters that provides the lowest TIC bid. TIC is defined as the rate, which will discount the aggregate amount of debt service payable over the life of the bond issue to its present value on the date of delivery. It is customary for bids to be submitted electronically through a secure website.

B. Negotiated Sale

In a negotiated sale, the Town chooses an underwriter or underwriting syndicate that is interested in reoffering a particular series of bonds to investors. The terms of the sale, including the size of the underwriter's discount, date of sale, and other factors, are negotiated between the two parties. Although the method of sale is termed negotiated, individual components of the sale may be competitively bid. The components are subject to a market analysis and reviewed prior to recommendation by staff. Negotiated sales are more advantageous when flexibility in the sale date is needed or when less conventional bond structures are being sold. Negotiated sales are also often used when the issue is particularly large or if the sale of the debt issuance would be perceived to be more successful with pre-marketing efforts.

C. Private Placement

A private placement is a negotiated sale of debt securities to a limited number of selected investors including financial institutions, government agencies, or authorities. The Town may engage a placement agent to identify likely investors if deemed necessary. A private placement may be beneficial when the issue size is small, when the security of the bonds is somewhat weaker, or when a governmental lending agency or authority can provide beneficial interest rates or terms compared to financing in the public market.

SECTION 15.08: REFUNDING OF DEBT

All forms of refunding debt shall be approved by Council in accordance with Town ordinances and the Department of Finance and Administration in accordance with state law.

A. Advance Refunding

Advanced refunding and forward delivery refunding transactions for savings may be considered when the net present value savings as a percentage of the par amount of refunded bonds is approximately three percent.

B. Current Refunding

Current refunding transactions issued for savings maybe considered when the net present value savings as a percentage of the par amount of refunded bonds is approximately three percent.

C. Refunding for Debt Restructuring

From time to time, the Town may also issue refunding debt for other purposes, rather than net present value savings, such as restructuring debt, changing covenants, or changing the repayment source of the bonds.

SECTION 15.09: DEBT LIMITS

The total principal amount of general obligation bonds together with the principal amount of all other outstanding tax indebtedness of the Town to be repaid from the Debt Service Fund will be targeted to not exceed four percent of the total assessed valuation of the Town's tax rolls.

The Town will target an I&S tax rate that makes up 40% or less of the Town's total tax rate (M&O tax rate plus I&S tax rate).

The Enterprise Fund will target the net revenues available for debt service to exceed 125 times the outstanding revenue-backed debt service payments.

SECTION 15.10: MATURITY LEVELS

A. Revenue Debt

The maximum maturity of revenue debt shall not exceed the expected useful life of the capital asset being financed and in no case shall it exceed thirty years.

B. General Obligation Debt

The maximum maturity of general obligation debt shall be targeted not to exceed twenty years.

SECTION 15.11: MANAGEMENT OF DEBT SERVICE FUND

A. Interest Earnings

Interest earnings on bond and loan proceeds shall be used solely to fund direct or related capital expenditures, or to service current and future debt payments.

B. Debt Service Reserves – General Obligation Bonds

Debt service reserves for general obligation bonds shall not be required.

C. Debt Service Reserves – Revenue Bonds

Debt service reserves for revenue bonds shall be maintained at levels required by controlling bond ordinances.

D. Legal Regulatory and Covenant Requirements

The Town shall comply with all Federal and State laws, SEC regulations and related contractual and covenant requirements. See Chapter 16: Debt Post Issuance Monitoring and Compliance.

SECTION 15.12: RATINGS

Adherence to a debt management policy helps insure that the Town maintains the current or an improved bond rating in order to minimize borrowing costs and preserve access to credit. Toward that end, the Town will take the following steps.

1. Strive to maintain good relationships with bond rating agencies as well as disclose financial reports and information to these agencies and to the public.
2. Obtain a rating from at least one nationally recognized bond-rating agency on all issues being sold in the public market.
3. Make timely disclosure of annual financial information or other requested information to the rating agencies.

SECTION 15.13: CONTINUING DISCLOSURE

The Town will take all appropriate steps to comply with federal securities laws, including, but not limited to, Securities and Exchange Commission Rule 15c2-12 (the "Rule"). The Town will make annual and event disclosure filings to the MSRB via EMMA, as required by the Rule and its continuing disclosure undertakings.

SECTION 15.14: SELECTION OF FINANCIAL ADVISOR

The Town shall retain an independent financial advisor for advice on the structuring of new debt, financial analysis of various options, including refunding opportunities, the rating review process, the marketing and marketability of Town debt obligations, issuance and post- issuance services, the preparation of offering documents (each, an "Official Statement") and other services, as necessary. The Town will seek the advice of the financial advisor on an ongoing basis. The financial advisor will perform other services as defined by the agreement approved by the Town Council. The financial advisor will not bid on nor underwrite any Town debt issues in accordance with MSRB rules.

SECTION 15.15: SELECTION OF BOND COUNSEL

The Town shall retain bond counsel for legal and procedural advice on all debt issues. Bond counsel shall advise the Town Council in all matters pertaining to its bond ordinance(s) and /or resolution(s). No action shall be taken with respect to any obligation until a written instrument (e.g., Certificate for Ordinance or other legal instrument) has been prepared by the bond attorneys certifying the legality of the proposal. The bond attorneys shall prepare all ordinances and other legal instruments required for the execution and sale of any bonds issued which shall then be reviewed by the Town Attorney and the Director of Finance. The Town will also seek the advice of bond counsel on all other types of debt and on any other questions involving state law and federal tax or arbitrage law. Special counsel may be retained to protect the Town's interest in complex negotiations.

TOWN OF PROSPER ADMINISTRATIVE REGULATIONS

CHAPTER 16: DEBT POST ISSUANCE POLICY

SECTION 16.01: PURPOSE AND OVERVIEW

The Town of Prosper will establish all necessary debt post issuance procedures to ensure compliance with all federal, state, contractual and covenant requirements.

SECTION 16.02: GENERAL PROCEDURES

A. The Tax Compliance Certificate

1. The Tax Compliance Certificate ("Tax Certificate") issued for each bond issue describing the requirements and provisions of the Code must be followed in order to maintain the tax-exempt status of the interest on such bonds.
2. The Tax Certificate will contain the reasonable expectations of the Town at the time of issuance of the related bonds with respect to the use of the gross proceeds of such bonds and the assets to be financed or refinanced with the proceeds thereof.
3. Procedures put in place by the Town supplement and support the covenants and representations made by the Town in the Tax Certificate related to specific issues of tax-exempt bonds. In order to comply with the covenants and representations set forth in the bond documents and in the Tax Certificate, the Town will monitor all Town bond issues using the post issuance compliance requirements.

B. State Compliance

The local government code and other state statutes contain various requirements related to filing a debt issuance for review by the attorney general and filing debt related information with the Comptroller of Public Accounts.

C. Federal- SEC Continuing Disclosure Requirements

The Securities and Exchange Commission has promulgated various requirements for underwriters of municipal debt requiring issuers to file specified continuing disclosures on an annual basis as well as event notices of a material nature within ten business days of the occurrence of the event. Specific financial and operating data to be included in the annual continuing disclosure filings are listed in each of the Town's Official Statements. It should be noted that once a disclosure is committed to in an official statement that requirement remains in effect until all debt from that specific official statements is retired even if less stringent

requirements are included in future official statements.

SECTION 16.03: DESIGNATION OF RESPONSIBLE PERSON

The Finance Director shall maintain an inventory of bonds and assets financed which contain the pertinent data to satisfy the Town's monitoring responsibilities. Any transfer, sale or other disposition of bond-financed assets shall be reviewed and approved by the Town Council in accordance with state law, federal tax law and the Town's ordinances.

SECTION 16.04: EXTERNAL ADVISORS/DOCUMENTATION

The Town shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the issuance process to identify requirements and to establish procedures necessary or appropriate so that the bonds will continue to qualify for tax-exempt status. Those requirements and procedures shall be documented in the Tax Certificate and/or other documents finalized at or before issuance of the bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the bonds.

1. The Town also shall consult with bond counsel and other legal counsel and advisors as needed following issuance of the bonds to ensure that all applicable post-issuance requirements are met. This shall include, without limitation, consultation in connection with future long-term contracts with private parties for the use of bond- financed or refinanced assets.
2. The Town shall engage expert advisors (a "Rebate Service Provider") to assist in the calculation of the arbitrage rebate payable with respect to the investment of the bond proceeds, unless the Tax Certificate documents that arbitrage rebate will not be applicable to an issue of bonds.
3. Unless otherwise provided by the resolution or other authorizing documents relating to the bonds, unexpended bond proceeds shall be held in a segregated bond account. The investment of bond proceeds shall be managed by the Town. The Town shall prepare regular, periodic statements regarding the investments and transactions involving bond proceeds.

SECTION 16.05: ARBITRAGE REBATE AND YIELD

Unless the Tax Certificate documents that arbitrage rebate will not be applicable to an issue of bonds, the Town shall be responsible for:

1. Engaging, by contract, the services of a Rebate Service Provider, procured in accordance with State law and Town ordinances.
2. Providing to the Rebate Service Provider, as may be requested, additional documents and information pertaining to the expenditure of proceeds from each bond issue being annually reviewed.
3. Monitoring the services of the Rebate Service Provider.

4. Assuring payment of the required rebate amounts, if any, no later than sixty (60) days after each five (5) year anniversary of the issue date of the bonds, and no later than sixty (60) days after the last bond of each issue is redeemed.
5. During the construction period of each capital project financed in whole or in part by bonds, monitoring the investment and expenditure of bond proceeds and consulting with the Rebate Service Provider to determine compliance with the applicable exceptions with any arbitrage rebate requirements.
6. Retaining copies of all arbitrage reports and account statements as described below under "Record Keeping Requirements."

SECTION 16.06: USE OF BOND PROCEEDS AND BOND-FINANCED OR REFINANCED ASSETS

The Town, in the Tax Certificate and/or other documents finalized at or before the issuance of the bond, shall be responsible for the following tasks:

1. Monitoring the use of bond proceeds and the use of bond-financed or refinanced assets (e.g., facilities, furnishing or equipment) throughout the term of the bonds to ensure compliance with covenants and restrictions set forth in the Tax Certificate.
2. Maintaining records identifying the capital assets or portion of capital assets that are financed or refinanced with proceeds of the bonds, including a final allocation of bond proceeds, as described below under Record Keeping Requirements.
3. Consulting with bond counsel and other legal counsel and advisors in the review of any contracts or arrangements involving private use of bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Certificate.
4. Maintaining records for any contracts or arrangements involving the use of bond-financed or refinanced assets, as described below under Record Keeping Requirements.
5. To the extent that the Town discovers that any applicable tax restrictions regarding use of the bond proceeds and bond-financed or refinanced assets may have or may be violated, consulting promptly with bond counsel and other legal advisors to determine a course of action to remediate all non-qualified bonds, if such counsel advises that a remedial action is necessary.

SECTION 16.07: RECORD KEEPING REQUIREMENT

The Town shall be responsible for maintaining the following documents for the term of the issuance of bonds (including refunding bonds, if any) plus at least three years.

1. A copy of the bond closing transcript(s) and other relevant documentation delivered to the Town at or in connection with closing of the issuance of bonds, including any elections made by the Town in connection therewith.
2. A copy of all material documents relating to capital expenditures financed or refinanced by

bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, requisitions and payment records, draw requests for bond proceeds and evidence as to the amount and date for each draw down of bond proceeds, as well as documents relating to costs paid or reimbursed with bond proceeds and records identifying the asset or portion of assets that are financed or refinanced with bond proceeds, including a final allocation of bond proceeds.

3. A copy of all contracts and arrangements involving the use of bond-financed or refinanced assets.
4. A copy of all records of investments, investment agreements, arbitrage reports and underlying documents in connection with any investment agreements, and copies of all bidding documents, if any. [Paying agent account statements, bank statements for reserve funds, etc.]

Town Staff and Consultants

Town Staff

Town Manager's Office	Mario Canizares, Town Manager
	Bob Scott, Deputy Town Manager
Town Secretary's Office	Michelle Lewis Sirianni, Town Secretary
Finance	Chris Landrum, Finance Director
Human Resources	Tony Luton, Human Resources Director
Information Technology	Leigh Johnson, Information Technology Director
Communications	Robyn Battle, Executive Director
Municipal Court	Judith Jacinto, Court Administrator
Police	Doug Kowalski, Police Chief
Fire	Stuart Blasingame, Fire Chief
Infrastructure Services	Chuck Ewings, Assistant Town Manager
Development Services	David Hoover, Development Services Director
Public Works	Carrie Jones, Public Works Director
Parks and Recreation	Dan Baker, Parks and Recreation Director
Library	Gary Landeck, Library Director
Engineering	Hulon Webb, Director of Engineering Services

Consultants

Auditors	Weaver & Tidwell, L.L.P. - Sara Dempsey
Bond Counsel	McCall, Parkhurst & Horton, L.L.P. - Chris Settle
Town Attorney	Brown & Hofmeister, L.L.P. - Terry Welch
Financial Advisors	Hilltop Securities, Inc - Jason Hughes
Risk Management	TML Intergovernmental Risk Pool

2025 Tax Rate Calculation Worksheet

Taxing Units Other Than School Districts or Water Districts

Form 50-856

Town of Prosper	972-346-2640
Taxing Unit Name	Phone (area code and number)
250 W. First Street, Prosper, TX 75078	www.prospertx.gov
Taxing Unit's Address, City, State, ZIP Code	Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	Prior year total taxable value. Enter the amount of the prior year taxable value on the prior year tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). ¹	\$ 10,308,950,425
2.	Prior year tax ceilings. Counties, cities and junior college districts. Enter the prior year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision last year or a prior year for homeowners age 65 or older or disabled, use this step. ²	\$ 868,551,225
3.	Preliminary prior year adjusted taxable value. Subtract Line 2 from Line 1.	\$ 9,440,399,200
4.	Prior year total adopted tax rate.	\$ 0.505000 /\$100
5.	Prior year taxable value lost because court appeals of ARB decisions reduced the prior year's appraised value. <ul style="list-style-type: none"> A. Original prior year ARB values:..... \$ 367,562,767 B. Prior year values resulting from final court decisions:..... - \$ 353,046,749 C. Prior year value loss. Subtract B from A.³ 	\$ 14,516,018
6.	Prior year taxable value subject to an appeal under Chapter 42, as of July 25. <ul style="list-style-type: none"> A. Prior year ARB certified value: \$ 147,024,191 B. Prior year disputed value: - \$ 18,335,602 C. Prior year undisputed value. Subtract B from A.⁴ 	\$ 128,688,589
7.	Prior year Chapter 42 related adjusted values. Add Line 5C and Line 6C.	\$ 143,204,607

¹ Tex. Tax Code §26.012(14)

² Tex. Tax Code §26.012(14)

³ Tex. Tax Code §26.012(13)

⁴ Tex. Tax Code §26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
8.	Prior year taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7.	\$ 9,583,603,807
9.	Prior year taxable value of property in territory the taxing unit deannexed after Jan. 1, 2024. Enter the prior year value of property in deannexed territory. ⁵	\$ 0
10.	Prior year taxable value lost because property first qualified for an exemption in the current year. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in the current year does not create a new exemption or reduce taxable value. <ul style="list-style-type: none"> A. Absolute exemptions. Use prior year market value: \$ 8,330,481 B. Partial exemptions. Current year exemption amount or current year percentage exemption times prior year value: + \$ 56,850,276 C. Value loss. Add A and B.⁶ 	\$ 65,180,757
11.	Prior year taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in the current year. Use only properties that qualified for the first time in the current year; do not use properties that qualified in the prior year. <ul style="list-style-type: none"> A. Prior year market value: \$ 0 B. Current year productivity or special appraised value: - \$ 0 C. Value loss. Subtract B from A.⁷ 	\$ 0
12.	Total adjustments for lost value. Add Lines 9, 10C and 11C.	\$ 65,180,757
13.	Prior year captured value of property in a TIF. Enter the total value of the prior year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the prior year taxes were deposited into the tax increment fund. ⁸ If the taxing unit has no captured appraised value in line 18D, enter 0.	\$ 271,482,181
14.	Prior year total value. Subtract Line 12 and Line 13 from Line 8.	\$ 9,246,940,869
15.	Adjusted prior year total levy. Multiply Line 4 by Line 14 and divide by \$100.	\$ 46,697,051
16.	Taxes refunded for years preceding the prior tax year. Enter the amount of taxes refunded by the taxing unit for tax years preceding the prior tax year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for the prior tax year. This line applies only to tax years preceding the prior tax year. ⁹	\$ 433,892
17.	Adjusted prior year levy with refunds and TIF adjustment. Add Lines 15 and 16. ¹⁰	\$ 47,130,943
18.	Total current year taxable value on the current year certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. ¹¹ <ul style="list-style-type: none"> A. Certified values: \$ 11,051,272,709 B. Counties: Include railroad rolling stock values certified by the Comptroller's office: + \$ _____ C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: - \$ 0 D. Tax increment financing: Deduct the current year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the current year taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below.¹² - \$ 276,578,864 E. Total current year value. Add A and B, then subtract C and D. 	\$ 10,774,693,845

⁵ Tex. Tax Code §26.012(15)⁶ Tex. Tax Code §26.012(15)⁷ Tex. Tax Code §26.012(15)⁸ Tex. Tax Code §26.03(c)⁹ Tex. Tax Code §26.012(13)¹⁰ Tex. Tax Code §26.012(13)¹¹ Tex. Tax Code §26.012, 26.04(c-2)¹² Tex. Tax Code §26.03(c)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
19.	Total value of properties under protest or not included on certified appraisal roll. ¹³ A. Current year taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. ¹⁴ \$ 807,105,754 B. Current year value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. ¹⁵ + \$ 0 C. Total value under protest or not certified. Add A and B.	\$ 807,105,754
20.	Current year tax ceilings. Counties, cities and junior colleges enter current year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in the prior year or a previous year for homeowners age 65 or older or disabled, use this step. ¹⁶	\$ 1,051,886,556
21.	Current year total taxable value. Add Lines 18E and 19C. Subtract Line 20. ¹⁷	\$ 10,529,913,043
22.	Total current year taxable value of properties in territory annexed after Jan. 1, of the prior year. Include both real and personal property. Enter the current year value of property in territory annexed. ¹⁸	\$ 0
23.	Total current year taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in the prior year. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, of the prior year and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for the current year. ¹⁹	\$ 758,780,238
24.	Total adjustments to the current year taxable value. Add Lines 22 and 23.	\$ 758,780,238
25.	Adjusted current year taxable value. Subtract Line 24 from Line 21.	\$ 9,771,132,805
26.	Current year NNR tax rate. Divide Line 17 by Line 25 and multiply by \$100. ²⁰	\$ 0.482348 /\$100
27.	COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the current year county NNR tax rate. ²¹	\$ /\$100

SECTION 2: Voter Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

- Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
- Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
28.	Prior year M&O tax rate. Enter the prior year M&O tax rate.	\$ 0.324608 /\$100
29.	Prior year taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 9,583,603,807

¹³ Tex. Tax Code §26.01(c) and (d)

¹⁴ Tex. Tax Code §26.01(c)

¹⁵ Tex. Tax Code §26.01(d)

¹⁶ Tex. Tax Code §26.012(6)(B)

¹⁷ Tex. Tax Code §26.012(6)

¹⁸ Tex. Tax Code §26.012(17)

¹⁹ Tex. Tax Code §26.012(17)

²⁰ Tex. Tax Code §26.04(c)

²¹ Tex. Tax Code §26.04(d)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
30.	Total prior year M&O levy. Multiply Line 28 by Line 29 and divide by \$100.	\$ 31,109,144
31.	Adjusted prior year levy for calculating NNR M&O rate.	
	A. M&O taxes refunded for years preceding the prior tax year. Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2024. This line applies only to tax years preceding the prior tax year..... + \$ 282,780	
	B. Prior year taxes in TIF. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no current year captured appraised value in Line 18D, enter 0..... - \$ 987,586	
	C. Prior year transferred function. If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. +/- \$ 0	
	D. Prior year M&O levy adjustments. Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function..... \$ -704,806	
	E. Add Line 30 to 31D.	\$ 30,404,338
32.	Adjusted current year taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 9,771,132,805
33.	Current year NNR M&O rate (unadjusted). Divide Line 31E by Line 32 and multiply by \$100.	\$ 0.311164 /\$100
34.	Rate adjustment for state criminal justice mandate. ²³	
	A. Current year state criminal justice mandate. Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. \$ 0	
	B. Prior year state criminal justice mandate. Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies..... - \$ 0	
	C. Subtract B from A and divide by Line 32 and multiply by \$100..... \$ 0.000000 /\$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.	\$ 0.000000 /\$100
35.	Rate adjustment for indigent health care expenditures. ²⁴	
	A. Current year indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state assistance received for the same purpose..... \$ 0	
	B. Prior year indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2023 and ending on June 30, 2024, less any state assistance received for the same purpose..... - \$ 0	
	C. Subtract B from A and divide by Line 32 and multiply by \$100..... \$ 0.000000 /\$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.	\$ 0.000000 /\$100

²² [Reserved for expansion]²³ Tex. Tax Code §26.044²⁴ Tex. Tax Code §26.0441

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
36. Rate adjustment for county indigent defense compensation. ²⁵	<p>A. Current year indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state grants received by the county for the same purpose..... \$ <u>0</u></p> <p>B. Prior year indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2023 and ending on June 30, 2024, less any state grants received by the county for the same purpose..... \$ <u>0</u></p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100...... \$ <u>0.000000</u> /\$100</p> <p>D. Multiply B by 0.05 and divide by Line 32 and multiply by \$100...... \$ <u>0.000000</u> /\$100</p> <p>E. Enter the lesser of C and D. If not applicable, enter 0...... \$ <u>0.000000</u> /\$100</p>	
37. Rate adjustment for county hospital expenditures. ²⁶	<p>A. Current year eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year..... \$ <u>0</u></p> <p>B. Prior year eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2023 and ending on June 30, 2024. \$ <u>0</u></p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100...... \$ <u>0.000000</u> /\$100</p> <p>D. Multiply B by 0.08 and divide by Line 32 and multiply by \$100...... \$ <u>0.000000</u> /\$100</p> <p>E. Enter the lesser of C and D, if applicable. If not applicable, enter 0...... \$ <u>0.000000</u> /\$100</p>	
38. Rate adjustment for defunding municipality. This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information.	<p>A. Amount appropriated for public safety in the prior year. Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year..... \$ <u>0</u></p> <p>B. Expenditures for public safety in the prior year. Enter the amount of money spent by the municipality for public safety during the preceding fiscal year \$ <u>0</u></p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100 .. \$ <u>0.000000</u> /\$100</p> <p>D. Enter the rate calculated in C. If not applicable, enter 0...... \$ <u>0.000000</u> /\$100</p>	
39. Adjusted current year NNR M&O rate. Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.		\$ <u>0.311164</u> /\$100
40. Adjustment for prior year sales tax specifically to reduce property taxes. Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in the prior year should complete this line. These entities will deduct the sales tax gain rate for the current year in Section 3. Other taxing units, enter zero.	<p>A. Enter the amount of additional sales tax collected and spent on M&O expenses in the prior year, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent .. \$ <u>0</u></p> <p>B. Divide Line 40A by Line 32 and multiply by \$100 .. \$ <u>0.000000</u> /\$100</p> <p>C. Add Line 40B to Line 39...... \$ <u>0.311164</u> /\$100</p>	
41. Current year voter-approval M&O rate. Enter the rate as calculated by the appropriate scenario below.	<p>Special Taxing Unit. If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08.</p> <p>- or -</p> <p>Other Taxing Unit. If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.</p>	\$ <u>0.322054</u> /\$100

²⁵ Tex. Tax Code §26.0442²⁶ Tex. Tax Code §26.0443

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
D41.	<p>Disaster Line 41 (D41): Current year voter-approval M&O rate for taxing unit affected by disaster declaration. If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of:</p> <ol style="list-style-type: none"> 1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred; or 2) the third tax year after the tax year in which the disaster occurred. <p>If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08.²⁷ If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).</p>	\$ 0.000000 /\$100
42.	<p>Total current year debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that:</p> <ol style="list-style-type: none"> (1) are paid by property taxes; (2) are secured by property taxes; (3) are scheduled for payment over a period longer than one year; and (4) are not classified in the taxing unit's budget as M&O expenses. <p>A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here.²⁸</p> <p>Enter debt amount \$ 19,695,302</p> <p>B. Subtract unencumbered fund amount used to reduce total debt. – \$ 0</p> <p>C. Subtract certified amount spent from sales tax to reduce debt (enter zero if none) – \$ 0</p> <p>D. Subtract amount paid from other resources – \$ 0</p> <p>E. Adjusted debt. Subtract B, C and D from A.</p>	\$ 19,695,302
43.	Certified prior year excess debt collections. Enter the amount certified by the collector. ²⁹	\$ 431,155
44.	Adjusted current year debt. Subtract Line 43 from Line 42E.	\$ 19,264,147
45.	<p>Current year anticipated collection rate.</p> <p>A. Enter the current year anticipated collection rate certified by the collector.³⁰ 100.00 %</p> <p>B. Enter the prior year actual collection rate. 99.10 %</p> <p>C. Enter the 2023 actual collection rate. 103.70 %</p> <p>D. Enter the 2022 actual collection rate. 103.75 %</p> <p>E. If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%.³¹</p>	100.00 %
46.	Current year debt adjusted for collections. Divide Line 44 by Line 45E.	\$ 19,264,147
47.	Current year total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 10,529,913,043
48.	Current year debt rate. Divide Line 46 by Line 47 and multiply by \$100.	\$ 0.182946 /\$100
49.	Current year voter-approval M&O rate plus current year debt rate. Add Lines 41 and 48.	\$ 0.505000 /\$100
D49.	Disaster Line 49 (D49): Current year voter-approval tax rate for taxing unit affected by disaster declaration. Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.	\$ 0.000000 /\$100

²⁷ Tex. Tax Code §26.042(a)²⁸ Tex. Tax Code §26.012(7)²⁹ Tex. Tax Code §26.012(10) and 26.04(b)³⁰ Tex. Tax Code §26.04(b)³¹ Tex. Tax Code §§26.04(h), (h-1) and (h-2)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
50.	COUNTIES ONLY. Add together the voter-approval tax rates for each type of tax the county levies. The total is the current year county voter-approval tax rate.	\$ 0.000000 /\$100

SECTION 3: NNR Tax Rate and Voter Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
51.	Taxable Sales. For taxing units that adopted the sales tax in November of the prior tax year or May of the current tax year, enter the Comptroller's estimate of taxable sales for the previous four quarters. ³² Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November of the prior year, enter 0.	\$ 0
52.	Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. ³³ Taxing units that adopted the sales tax in November of the prior tax year or in May of the current tax year. Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. ³⁴ - or - Taxing units that adopted the sales tax before November of the prior year. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	
53.	Current year total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 10,529,913,043
54.	Sales tax adjustment rate. Divide Line 52 by Line 53 and multiply by \$100.	\$ 0.000000 /\$100
55.	Current year NNR tax rate, unadjusted for sales tax. ³⁵ Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.482348 /\$100
56.	Current year NNR tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November the prior tax year or in May of the current tax year. Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November of the prior tax year.	\$ 0.482348 /\$100
57.	Current year voter-approval tax rate, unadjusted for sales tax. ³⁶ Enter the rate from Line 49, Line D49 (disaster) or Line 50 (counties) as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.505000 /\$100
58.	Current year voter-approval tax rate, adjusted for sales tax. Subtract Line 54 from Line 57.	\$ 0.505000 /\$100

SECTION 4: Voter Approval Tax Rate Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
59.	Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ³⁷ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ³⁸	\$ 0
60.	Current year total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 10,529,913,043
61.	Additional rate for pollution control. Divide Line 59 by Line 60 and multiply by \$100.	\$ 0.000000 /\$100

³² Tex. Tax Code §26.041(d)

³³ Tex. Tax Code §26.041(i)

³⁴ Tex. Tax Code §26.041(d)

³⁵ Tex. Tax Code §26.04(c)

³⁶ Tex. Tax Code §26.04(c)

³⁷ Tex. Tax Code §26.045(d)

³⁸ Tex. Tax Code §26.045(i)

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
62.	Current year voter-approval tax rate, adjusted for pollution control. Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	\$ 0.505000 /\$100

SECTION 5: Voter Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the sum of the prior 3 years Foregone Revenue Amounts divided by the current taxable value.³⁹ The Foregone Revenue Amount for each year is equal to that year's adopted tax rate subtracted from that year's voter-approval tax rate adjusted to remove the unused increment rate multiplied by that year's current total value.⁴⁰

The difference between the adopted tax rate and adjusted voter-approval tax rate is considered zero in the following scenarios:

- a tax year in which a taxing unit affected by a disaster declaration calculates the tax rate under Tax Code Section 26.042;⁴¹
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);⁴² or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.⁴³

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.⁴⁴

Line	Unused Increment Rate Worksheet	Amount/Rate
63.	Year 3 Foregone Revenue Amount. Subtract the 2024 unused increment rate and 2024 actual tax rate from the 2024 voter-approval tax rate. Multiply the result by the 2024 current total value A. Voter-approval tax rate (Line 68)..... B. Unused increment rate (Line 67)..... C. Subtract B from A..... D. Adopted Tax Rate..... E. Subtract D from C..... F. 2024 Total Taxable Value (Line 60)..... G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.....	\$ 0.522075 /\$100 \$ 0.017075 /\$100 \$ 0.505000 /\$100 \$ 0.505000 /\$100 \$ 0.000000 /\$100 \$ 9,365,511,347 \$ 0
64.	Year 2 Foregone Revenue Amount. Subtract the 2023 unused increment rate and 2023 actual tax rate from the 2023 voter-approval tax rate. Multiply the result by the 2023 current total value A. Voter-approval tax rate (Line 67)..... B. Unused increment rate (Line 66)..... C. Subtract B from A..... D. Adopted Tax Rate..... E. Subtract D from C..... F. 2023 Total Taxable Value (Line 60)..... G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.....	\$ 0.510000 /\$100 \$ 0.017336 /\$100 \$ 0.492664 /\$100 \$ 0.510000 /\$100 \$ -0.017336 /\$100 \$ 8,140,263,860 \$ 0
65.	Year 1 Foregone Revenue Amount. Subtract the 2022 unused increment rate and 2022 actual tax rate from the 2022 voter-approval tax rate. Multiply the result by the 2022 current total value A. Voter-approval tax rate (Line 67)..... B. Unused increment rate (Line 66)..... C. Subtract B from A..... D. Adopted Tax Rate..... E. Subtract D from C..... F. 2022 Total Taxable Value (Line 60)..... G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.....	\$ 0.527336 /\$100 \$ 0.043161 /\$100 \$ 0.484175 /\$100 \$ 0.510000 /\$100 \$ -0.025825 /\$100 \$ 6,621,990,520 \$ 0
66.	Total Foregone Revenue Amount. Add Lines 63G, 64G and 65G	\$ 0 /\$100
67.	2025 Unused Increment Rate. Divide Line 66 by Line 21 of the <i>No-New-Revenue Rate Worksheet</i> . Multiply the result by 100	\$ 0.000000 /\$100
68.	Total 2025 voter-approval tax rate, including the unused increment rate. Add Line 67 to one of the following lines (as applicable): Line 49, Line 50 (counties), Line 58 (taxing units with additional sales tax) or Line 62 (taxing units with pollution)	\$ 0.505000 /\$100

³⁹ Tex. Tax Code §26.013(b)

⁴⁰ Tex. Tax Code §26.013(a)(1-a), (1-b), and (2)

⁴¹ Tex. Tax Code §§26.04(c)(2)(A) and 26.042(a)

⁴² Tex. Tax Code §§26.0501(a) and (c)

⁴³ Tex. Local Gov't Code §120.007(d)

⁴⁴ Tex. Local Gov't Code §26.04(c)(2)(B)

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.⁴⁵ This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.⁴⁶

Line	De Minimis Rate Worksheet	Amount/Rate
69.	Adjusted current year NNR M&O tax rate. Enter the rate from Line 39 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.311164 /\$100
70.	Current year total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 10,529,913,043
71.	Rate necessary to impose \$500,000 in taxes. Divide \$500,000 by Line 70 and multiply by \$100.	\$ 0.004748 /\$100
72.	Current year debt rate. Enter the rate from Line 48 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.182946 /\$100
73.	De minimis rate. Add Lines 69, 71 and 72.	\$ 0.000000 /\$100

SECTION 7: Voter Approval Tax Rate Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.⁴⁷

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year.⁴⁸

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago. This section will apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Line	Emergency Revenue Rate Worksheet	Amount/Rate
74.	2024 adopted tax rate. Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.505000 /\$100
75.	Adjusted 2024 voter-approval tax rate. Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. ⁴⁹ If a disaster occurred in 2024 and the taxing unit calculated its 2024 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2024 worksheet due to a disaster, complete the applicable sections or lines of <i>Form 50-856-a, Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> . - or - If a disaster occurred prior to 2024 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2024, complete <i>Form 50-856-a, Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2024 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the years following the disaster. ⁵⁰ Enter the final adjusted 2024 voter-approval tax rate from the worksheet. - or - If the taxing unit adopted a tax rate above the 2024 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet.	
76.	Increase in 2024 tax rate due to disaster. Subtract Line 75 from Line 74.	\$ 0.000000 /\$100
77.	Adjusted 2024 taxable value. Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 9,246,940,869
78.	Emergency revenue. Multiply Line 76 by Line 77 and divide by \$100.	\$ 0
79.	Adjusted 2024 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 9,771,132,805
80.	Emergency revenue rate. Divide Line 78 by Line 79 and multiply by \$100. ⁵⁰	\$ 0.000000 /\$100

⁴⁵ Tex. Tax Code §26.012(8-a)

⁴⁶ Tex. Tax Code §26.063(a)(1)

⁴⁷ Tex. Tax Code §26.042(b)

⁴⁸ Tex. Tax Code §26.042(f)

⁴⁹ Tex. Tax Code §26.042(c)

⁵⁰ Tex. Tax Code §26.042(b)

Line	Emergency Revenue Rate Worksheet	Amount/Rate
81.	Current year voter-approval tax rate, adjusted for emergency revenue. Subtract Line 80 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 68 (taxing units with the unused increment rate).	\$ 0.505000 /\$100

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate. \$ 0.482348 /\$100

As applicable, enter the current year NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax).

Indicate the line number used: 26

Voter-approval tax rate. \$ 0.505000 /\$100

As applicable, enter the current year voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 68 (adjusted for unused increment), or Line 81 (adjusted for emergency revenue).

Indicate the line number used: 49

De minimis rate. \$ 0.000000 /\$100

If applicable, enter the current year de minimis rate from Line 73.

SECTION 9: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code.⁵¹

print here  **Jayna Dean**

Printed Name of Taxing Unit Representative

sign here  

Taxing Unit Representative

8/06/2025

Date

⁵¹ Tex. Tax Code §§26.04(c-2) and (d-2)

Glossary

Accounting System: The total structure of records and procedures which discover, record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, balanced account groups, and organizational components. Sometimes referred to as Chart of Accounts and/or Account Classification System.

Accounts Receivable: Amounts owing on open account from private persons, firms, or corporations for goods and services furnished by a governmental unit (but not including amounts due from other funds of the same governmental unit).

Accrual Basis: The basis of accounting under which revenues are recorded when earned and expenditures are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of the revenue or the payment of the expenditure may take place, in whole or in part, in another accounting period. See also Accrue and Levy.

Accrue: To record revenues when earned and to record expenditures as soon as they result in liabilities for benefits received, notwithstanding that the receipt of the revenue or payment of the expenditure may take place, in whole or in part, in another accounting period. See also Accrual Basis, Accrued Expenses, and Accrued Revenue.

Accrued Expenses: Expenses incurred during the current account period but which are not payable until a subsequent accounting period. See also Accrual Basis and Accrue.

Accrued Interest on Investments Purchased: Interest accrued on investments between the last interest payment date and the date of purchase. The account is carried as an asset until the first interest payment date after date of purchase. At that time an entry is made debiting cash and crediting the Accrued Interest on Investments Purchased account for the amount of interest purchased and an Interest Earnings account for the balance.

Accrued Interest Payable: A liability account which represents the amount of interest accrued at the balance sheet date but which is not due until a later date.

Accrued Revenue: Revenue earned during the current accounting period but which is not collected until a subsequent accounting period. See also Accrual Basis and Accrue.

Activity: A specific and distinguishable line of work performed by one or more organizational components of a governmental unit for the purpose of accomplishing a function for which the governmental unit is responsible. For example, "Code Enforcement" is an activity performed in the discharge of the "Public Safety" function. See also Function.

Activity Classification: A grouping of expenditures on the basis of specific lines of work performed by organization units.

Ad Valorem: In proportion to value. A basis for levy of taxes upon property.

Allocate: To divide a lump-sum appropriation into parts which are designated for expenditure by specific organization units and/or for specific purposes, activities, or objects. See also Allocation.

Allocation: A part of a lump-sum appropriation which is designated for expenditure by specific organization units and/or for special purposes, activities, or objects. See also Allocate.

Glossary

Allot: To divide an appropriation into amounts which may be encumbered or expended during an allotment period. See also Allotment and Allotment Period.

Allotment: A part of an appropriation which may be encumbered or expended during an allotment period. See also Allot and Allotment Period.

Allotment Period: A period of time less than one fiscal year in length during which an allotment is effective. Bimonthly and quarterly allotment periods are most common. See also Allot and Allotment.

Appraisal: (1) The act of appraising. See Appraise. (2) The estimated value resulting from such action.

Appraise: To make an estimate of value, particularly of the value of property.

Note: If the property is valued for purposes of taxation, the less inclusive term "assess" is substituted for the above term.

Appropriation: An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is limited in amount to the time it may be expended.

Arbitrage: The reinvestment of the proceeds of tax-exempt securities in materially higher-yielding taxable securities.

Assess: To value property officially for the purpose of taxation.

Note: The term is also sometimes used to denote the levy of taxes, but such usage is not correct because it fails to distinguish between the valuation process and the tax levy process.

Assessed Valuation: A valuation set upon real estate or other property by a government as a basis for levying taxes.

Assessment: (1) The process of making the official valuation of property for purposes of taxation. (2) The valuation placed upon property as a result of this process.

Assessment Roll: In the case of real property, the official list containing the legal description of each parcel of property and its assessed valuation. The name and address of the last known owner are also usually shown. In the case of personal property, the assessment roll is the official list containing the name and address of the owner, a description of the personal property, and its assessed value.

Assets: Property owned by a governmental unit, which has a monetary value.

Audit: The examination of documents, records, reports, systems of internal control, accounting and financial procedures, and other evidence for one or more of the following purposes:

- (a) To ascertain whether the statements prepared from the accounts present fairly the financial position and the results of financial operations of the constituent funds and balanced account groups of the governmental unit in accordance with generally accepted accounting principals applicable to governmental units and on a basis consistent with that of the preceding year.
- (b) To determine the propriety, legality, and mathematical accuracy of a governmental unit's financial transactions.
- (c) To ascertain the stewardship of public officials who handle and are responsible for the financial resources of a governmental unit.

Audit Report: The report prepared by an auditor covering the audit or investigation made by him or her. As a rule, the report should include:

Glossary

- (a) a statement of the scope of the audit;
- (b) explanatory comments (if any) concerning exceptions by the auditor as to application of generally accepted auditing standards;
- (c) opinions;
- (d) explanatory comments (if any) concerning verification procedures;
- (e) financial statements and schedules; and
- (f) sometimes statistical tables, supplementary comments, and recommendations. The auditor's signature follows item (c) or (d).

Balanced Budget: Annual financial plan in which expenses do not exceed revenues.

Balance Sheet: A statement which discloses the assets, liabilities, reserves, and equities of a fund or governmental unit at a specified date, properly classified to exhibit financial position of the fund or unit at that date.

Note: If a single balance sheet is prepared for several funds, it must be in columnar or sectional form so as to exhibit the accounts of each fund and balanced account group, individually.

Bond: A written promise, generally under seal, to pay a specified sum of money, called the face value or principal amount, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically.

Note: The difference between a note and a bond is that the latter usually runs for a longer period of time and requires greater legal formality.

Bond Fund: A fund formerly used to account for the proceeds of general obligation bond issues. Such proceeds are now accounted for in a Capital Projects Fund.

Bond Ordinance or Resolution: An ordinance or resolution authorizing a bond issue.

Bonded Debt: The portion of indebtedness represented by outstanding bonds.

Bonds Authorized and Un-issued: Bonds which have been legally authorized but not issued and which can be issued and sold without further authorization.

Note: This term should not be confused with the term "margin of borrowing power" or "legal debt margin," either one of which represents the difference between the legal debt limit of a governmental unit and the debt outstanding against it.

Bonds Issued: Bonds sold.

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year.

Note: The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by that body. It is usually necessary to specify whether the budget under consideration is preliminary and tentative or whether it has been approved by the appropriating body. See also Current Budget, Capital Budget, and Capital Program.

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Budget Document: The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of three parts. The first part contains a message from the budget-making authority, together with a summary of the proposed expenditures and the means of financing them. The second part consists of schedules supporting the summary. These schedules show in detail the information as to past years' actual revenues, expenditures, and other data used in making the estimates. The third part is composed of drafts of the appropriation, revenue, and borrowing measures necessary to put the budget into effect.

Budget Message: A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body. The budget message should contain an explanation of the principal budget items, an outline of the governmental unit's experience during the past period and its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.

Budgetary Accounts: Those accounts which reflect budgetary operations and condition, such as estimated revenues, appropriations, and encumbrances, as distinguished from proprietary accounts. See also Proprietary Accounts.

Budgetary Control: The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitation of available appropriations and available revenues.

Capital Budget: A plan of proposed capital outlays and the means of financing them for the current fiscal period. It is usually a part of the current budget. If a Capital Program is in operation, it will be the first year thereof. A Capital Program is sometimes referred to as a Capital Budget. See also Capital Program.

Capital Expenditures: See Capital Outlays.

Capital Improvement Program: See Capital Program.

Capital Outlays: Expenditures in excess of \$5,000 which result in the acquisition of or addition to fixed assets.

Capital Program: A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program, or otherwise. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

Capital Projects Fund: A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities and/or designated fixed assets (other than those financed by special assessment, trust, special revenue, and enterprise funds). See also Bond Fund.

Cash: Currency, coin, checks, postal and express money orders, and bankers' drafts, on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

Cash Basis: The basis of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

Chart of Accounts: The classification system used to organize the accounting for various funds.

Clearing Account: An account used to accumulate total charges or credits for the purpose of distributing them later among the accounts to which they are allocated or for the purpose of transferring the net differences to the proper account.

Glossary

Coding: A system of numbering or otherwise designating accounts, entries, invoices, vouchers, etc., in such a manner that the symbol used quickly reveals certain required information. See also Symbolization.

Combination Bond: A bond issued by a governmental unit which is payable from the revenues of a governmental enterprise, but which is also backed by the full faith and credit of the governmental unit.

Combined Balance Sheet: A single balance sheet which displays the individual balance sheets of each class of funds and the balanced account groups of a governmental unit in separate, adjacent columns.

Note: There are no interfund elimination or consolidations in a combined balance sheet for a governmental unit.

Contingent Fund: Assets or other resources set aside to provide for unforeseen expenditures or for anticipated expenditures of uncertain amounts.

Note: The term should not be used to describe a reserve for contingencies. The latter is set aside out of the fund balance of a fund but does not constitute a separate fund. Similarly, an appropriation is not a fund.

Coverage: See Net Revenue Available for Debt Service.

Current: A term which, when applied to budgeting and accounting, designates the operations of the present fiscal period as opposed to past or future periods.

Current Budget: The annual budget prepared for and effective during the present fiscal year; or, in the case of some state governments, the budget for the present biennium.

Current Funds: Funds the resources of which are expended for operating purposes during the current fiscal period. In its usual application in plural form, it refers to General, Special Revenue, Debt Service, and Enterprise Funds of a governmental unit. In the singular form, the current fund is synonymous with the general fund. See also General Fund.

Current Liabilities: Liabilities which are payable within a relatively short period of time, usually no longer than a year.

Current Revenue: Revenues of a governmental unit that are available to meet expenditures of the current fiscal year. See Revenue.

Current Taxes: (1) Taxes levied and becoming due during the current fiscal period, from the time the amount of the tax levy is first established to the date on which a penalty for nonpayment is attached. (2) Taxes levied in the preceding fiscal period but becoming due in the current fiscal period, from the time they become due until a penalty for nonpayment is attached.

Current Year's Tax Levy: Taxes levied for the current fiscal period.

Data Processing: (1) The preparation and handling of information and data from source media through prescribed procedures to obtain such end results as classification, problem solution, summarization, and reports. (2) Preparation and handling of financial information wholly or partially by mechanical or electronic means. See also Electronic Data Processing (EDP).

Debt: An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governmental units include bonds, time warrants, notes, and floating debt. See also Bond, Notes Payable, Long-Term Debt, and General Long-Term Debt.

Glossary

Debt Limit: The maximum amount of gross or net debt that is legally permitted.

Debt Service Fund: A fund established to finance and account for the payment of interest and principal on all general obligation debt, serial and term, other than that payable exclusively from special assessments and revenue debt issued for and serviced by a governmental enterprise. Formally called a Sinking Fund.

Debt Service Fund Requirements: The amounts of revenue which must be provided for a debt service fund so that all principal and interest payments can be made in full on schedule.

Deficit: (1) The excess of the liabilities and reserves of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period; or, in the case of Enterprise and Intragovernmental Service Funds, the excess of expense over income during an accounting period.

Delinquent Taxes: Taxes remaining unpaid on and after the date on which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or canceled, the unpaid balances continue to be delinquent taxes until abated, canceled, paid, or converted into tax liens.

Note: The term is sometimes limited to taxes levied for the fiscal period or periods preceding the current one, but such usage is not entirely correct. See also Current Taxes, Current Year's Tax Levy, and Prior Years' Tax Levies.

Deposit: (1) Money placed with a banking or other institution, or with a person either as a general deposit subject to check or as a special deposit made for some specified purpose. (2) Securities lodged with a banking or other institution or with a person for some particular purpose. (3) Sums deposited by customers for electric meters, water meters, etc., and by contractors and others to accompany and guarantee their bids.

Depreciation: (1) Expiration of the service life of fixed assets, other than wasting assets, attributable to wear and tear through use and lapse of time, obsolescence, inadequacy, or other physical elements for functional causes. (2) The portion of the cost of a fixed asset charged as an expense during a particular period.

Note: The cost of a fixed asset is prorated over the estimated service life of such asset and each period is charged with part of such cost so that ultimately the entire cost of the asset is charged off as an expense. In governmental accounting, depreciation may be recorded in proprietary funds and trust funds where expenses, net income, and/or capital maintenance are measured.

Direct Debt: The debt that a governmental unit has incurred in its own name, or assumed through the annexation of territory or consolidation with another governmental unit. See also Overlapping Debt.

Direct Expense: Those expenses which can be charged directly as a part of the cost of a product or service, or of a department or operating unit, as distinguished from overhead and other indirect costs which must be prorated among several products or services, departments, or operating units.

Due to Fiscal Agent: Amounts due to fiscal agents, such as commercial banks, for servicing a governmental unit's maturing interest and principal payments on indebtedness.

Effective Interest Rate: The rate of earning on a bond investment based on the actual price paid for the bond, the coupon rate, the maturity date, and the length of time between interest dates, in contrast with the nominal interest rate.

Electronic Data Processing (EDP): Data processing by means of high-speed electronic equipment. See also Data Processing.

Glossary

Encumbrances: Obligations in the form of purchase orders, contracts, or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when the actual liability is set up.

Enterprise Debt: Debt that is to be retired primarily from the earnings of publicly owned and operated enterprises. See also Revenue Bonds.

Enterprise Fund: A fund established to finance and account for the acquisition, operation, and maintenance of governmental facilities and services that are entirely or predominantly self-supporting by user charges. Examples of enterprise funds are those for water, gas, and electric utilities, swimming pools, airports, parking garages, and transit systems.

Equipment: Tangible property of a more or less permanent nature (other than land, buildings, or improvements other than buildings) which is useful in carrying on operations. Examples are machinery, tools, trucks, cars, furniture, and furnishings.

Estimated Revenue: For revenue accounts kept on an accrual basis, this term designates the amount of revenue estimated to accrue during a given period regardless of whether or not it is all to be collected during the period. For revenue accounts kept on a cash basis, the term designates the amount of revenue estimated to be collected during a given period. Under the modified accrual basis recommended for some funds by the Governmental Accounting Standards Board, estimated revenues include both cash and accrual basis revenues. See also Cash Basis, Accrual Basis, and Modified Accrual Basis.

Expenditures: Where the accounts are kept on the accrual basis or the modified accrual basis, this term designates the cost of goods delivered or services rendered, whether paid or unpaid, including expenses, provision for debt retirement not reported as a liability of the fund from which retired, and capital outlays. Where the accounts are kept on the cash basis, the term designates only actual cash disbursements for these purposes.

Note: Encumbrances are not expenditures.

Expenses: Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges which are presumed to benefit the current fiscal period.

Note: Legal provisions sometimes make it necessary to treat charges whose benefits extend over future periods as expenses. For example, purchase of materials and supplies which may be used over a period of more than one year and payments for insurance which is to be in force for a period longer than one year frequently must be charged in their entirety to the appropriation of the year in which they are incurred and classified as expenses of that year, even though their benefits extend also to other periods.

Fiduciary Fund Types: The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds.

Fiscal Period: Any period at the end of which a governmental unit determines its financial position and the results of its operations.

Fiscal Year: A twelve-month period of time to which the annual budget applies and at the end of which a governmental unit determines its financial position and the results of its operations.

Fixed Assets: Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

Note: The term does not indicate the immobility of an asset, which is the distinctive character of "fixture."

Glossary

Fixed Charges: Expenses (the amount of which is set by agreement). Examples are interest, insurance, and contributions to pension funds.

Fixtures: Attachments to buildings that are not intended to be removed and which cannot be removed without damage to the latter.

Note: Those fixtures with a useful life presumed to be as long as that of the building itself, are considered a part of such building; all others are classified as equipment.

Force Account Method: A method employed in the construction and/or maintenance of fixed assets whereby a governmental unit's own personnel are used instead of an outside contractor.

Note: This method also calls for the purchase of materials by the governmental unit and the possible use of its own equipment, but the distinguishing characteristic of the force account method is the use of the unit's own personnel.

Franchise: A special privilege granted by a government permitting the continuing use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

FTE (Full-Time Equivalent): A term used when developing personal services budgets; 2,080 hours worked annually equates to 1.0 full-time equivalent (FTE) position.

Full Faith and Credit: A pledge of the general taxing power for the payment of debt obligations.

Note: Bonds carrying such pledges are usually referred to as general obligation bonds or full faith and credit bonds.

Function: A group of related activities aimed at accomplishing a major service or regulatory program for which the Town is responsible. For example, public safety is a function.

Functional Classification: A grouping of expenditures on the basis of the principal purposes for which they are made. Examples are public safety, public health, public welfare, etc. See also Activity Classification and Object Classification.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Accounts: All accounts necessary to set forth the financial operations and financial condition of a fund.

Note: Sometimes the term is used to denote budgetary accounts as distinguished from proprietary accounts, but such usage is not recommended.

Fund Balance: The excess of the assets of a fund over its liabilities and reserves, except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal period, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves, and appropriations for the period.

Fund Balance Sheet: A balance sheet for a single fund. See Fund and Balance Sheet.

Fund Group: A group of funds that are similar in purpose and character. For example, several special revenue funds constitute a fund group.

Funding: The conversion of floating debt or time warrants into bonded debt.

Funding Bonds: Bonds issued to retire outstanding floating debt and to eliminate deficits.

Glossary

General Audit: An audit made at the close of a normal accounting period, which covers all of the funds and balanced account groups of a governmental unit. Such audits may involve some detailed verification, as determined by the professional judgment of the auditor, but usually they are based on appropriate tests and checks. See also Special Audit.

General Fixed Assets: Those fixed assets of a governmental unit that are not accounted for in Enterprise, Trust, or Intragovernmental Service Funds.

General Fixed Assets Group of Accounts: A self-balancing group of accounts set up to account for the general fixed assets of a governmental unit. See General Fixed Assets.

General Fund: A fund used to account for all transactions of a governmental unit that are not accounted for in another fund.

Note: The General Fund is used to account for the ordinary operations of a governmental unit that are financed from taxes and other general revenues.

General Long-Term Debt: Long-term debt legally payable from general revenues and backed by the full faith and credit of a governmental unit. See Long-Term Debt.

General Obligation Bonds: Bonds for whose payment the full faith and credit of the issuing body are pledged. More commonly, but not necessarily, general obligation bonds are considered to be those payable from taxes and other general revenues. See also Full Faith and Credit.

General Revenue: The revenues of a governmental unit other than those derived from and retained in an enterprise.

Note: If a portion of the net income in an enterprise fund is contributed to another non-enterprise fund, such as the General Fund, the amounts transferred constitute general revenue of the governmental unit.

Goal: A statement of broad direction, purpose or intent based on the need of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given period.

Governmental Accounting: The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governmental units and agencies.

Governmental Fund Types: Funds used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities - except those accounted for in proprietary funds and fiduciary funds. In essence, these funds are accounting segregations of financial resources. Expendable assets are assigned to a particular governmental fund type according to the purposes for which they may or must be used. Current liabilities are assigned to the fund type from which they are to be paid. The difference between the assets and liabilities of governmental fund types is referred to as fund balance. The measurement focus in these fund types is on the determination of financial position and changes in financial position (sources, uses and balances of financial resources), rather than on net income determination. The statement of revenues, expenditures and changes in fund balance is the primary governmental fund type operating statement. It may be supported or supplemented by more detailed schedules of revenues, expenditures, transfers and other changes in fund balance.

Grant: A contribution by one governmental unit to another. The contribution is usually made to aid in the support of a specified function (for example, public safety), but it is sometimes also for general purposes.

Gross Bonded Debt: The total amount of direct debt of a governmental unit represented by outstanding bonds before deduction of any assets available and earmarked for their retirement. See also Direct Debt.

Glossary

Improvements: Buildings, other structures, and other attachments or annexations to land which are intended to remain so attached or annexed, such as sidewalks, trees, drives, tunnels, drains, and sewers.

Note: Sidewalks, curbing, sewers, and highways are sometimes referred to as "betterments," but the term improvements other than buildings is preferred.

Improvements Other Than Buildings: A fixed asset account that reflects the acquisition value of permanent improvements, other than buildings, which add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavements, gutters, tunnels, and bridges. If the improvements are purchased or constructed, this account contains the purchase or contract price. If improvements are obtained by gift, it reflects the appraised value at time of acquisition.

Income: A term used in accounting for governmental enterprises to represent the excess of revenues earned over the expenses incurred in carrying on the enterprise's operations. It should not be used without an appropriate modifier, such as Operating, Non-operating, or Net.

Note: The term Income should not be used in lieu of Revenue in non-enterprise funds.

Interfund Accounts: Accounts in which transactions between funds are reflected. See Interfund Transfers.

Interfund Transfers: Amounts transferred from one fund to another.

Intergovernmental Revenues: Revenue received from other governments in the form of grants, shared revenues, or payments in lieu of taxes.

Interim Borrowing: (1) Short-term loans to be repaid from general revenues during the course of a fiscal year. (2) Short-term loans in anticipation of tax collections or bond issuance.

Internal Control: A plan of organization under which employees' duties are so arranged and records and procedures so designed as to make it possible to exercise effective accounting control over assets, liabilities, revenues, and expenditures. Under such a system, the work of employees is subdivided so that no single employee performs a complete cycle of operations. Thus, for example, an employee handling cash would not post the accounts receivable records. Moreover, under such a system, the procedures to be followed are definitely laid down and require proper authorizations by designated officials for all actions to be taken.

Internal Service Fund: A fund established to finance and account for services and commodities furnished by a designated department or agency to other departments and agencies within a single governmental unit. Amounts expended by the fund are restored thereto either from operating earnings or by transfers from other funds, so that the original fund is kept intact.

Inventory: A detailed list showing quantities, descriptions, and values of property, and frequently also lists units of measure and unit prices.

Inventory of Supplies: The cost value of supplies on hand.

Investments: Securities and real estate held for the production of income in the form of interest, dividends, rentals, or lease payments. The term does not include fixed assets used in Town operations.

Judgment: An amount to be paid or collected by a governmental unit as the result of a court decision, including a condemnation award in payment for private property taken for public use.

Judgments Payable: Amounts due to be paid by a governmental unit as the result of court decisions, including condemnation awards in payment for private property taken for public use.

Glossary

Land: A fixed asset account that reflects the value of land owned by a governmental unit. If land is purchased, this account shows the purchase price and costs such as legal fees, filling and excavation costs, and the like, which are incurred to put the land in condition for its intended use. If land is acquired by gift, the account reflects the estimated fair value at the time of acquisition.

Legal Investments: Investments which governmental units are permitted to make by law.

Levy: (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a governmental unit.

Liabilities: Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date.

Note: The term does not include encumbrances.

Long-Term Debt: Debt with a maturity of more than one year after the date of issuance.

Machinery and Equipment: See Equipment.

Maintenance: The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

Major Fund: Funds that the revenues, expenses, assets or liabilities are greater than 10% of corresponding totals and at least 5% of the aggregate amount for all governmental and enterprise funds.

Modified Accrual Basis: A system under which some accruals, usually costs, are recorded but others, usually revenues, are not. The extent of modification varies in practice, depending upon the accountant's judgment.

Municipal: In its broadest sense, an adjective that denotes the state and all subordinate units of government. In a more restricted sense, an adjective that denotes a city or town, as opposed to other units of local government.

Municipal Bond: A bond issued by a state or local government unit.

Municipal Corporation: A body politic and corporate established pursuant to state authorization for the purpose of providing governmental services and regulations for its inhabitants. A municipal corporation has defined boundaries and a population, and is usually organized with the consent of its residents. It usually has a seal and may sue and be sued.

Net Bonded Debt: Gross bonded debt less any cash or other assets available and earmarked for its retirement.

Net Income: A term used in accounting for governmental enterprises to designate the excess of total revenues over total expenses for an accounting period. See also Income, Operating Revenues, Operating Expenses, Non-operating Income, and Non-operating Expenses.

Net Revenue Available for Debt Service: Gross operating revenues of an enterprise, less operating and maintenance expenses, yet exclusive of depreciation and bond interest. "Net Revenue" as thus defined computes "coverage" on revenue bond issues.

Note: Under the laws of some states and the provisions of some revenue bond indentures, net revenues used for computation of coverage are required to be on a cash basis rather than an accrual basis.

Nominal Interest Rate: The contractual interest rate shown on the face and in the body of a bond and representing the amount of interest to be paid, in contrast to the effective interest rate.

Glossary

Non-major Fund: Funds that the revenues, expenses, assets or liabilities are less than 10% of corresponding totals and at less than 5% of the aggregate amount for all governmental and enterprise funds.

Non-operating Expenses: Expenses incurred for non-operating properties or in the performance of activities not directly related to supplying the basic services of a governmental enterprise. An example of a non-operating expense is interest paid on outstanding revenue bonds. See also Non-operating Properties.

Non-operating Income: Income of governmental enterprises that is not derived from the basic operations of such enterprises. An example is interest on investments or on bank time deposits.

Non-operating Properties: Properties that are owned by a governmental enterprise but which are not used in the provision of basic services for which the enterprise exists.

Notes Payable: In general, an unconditional written promise signed by the maker to pay a certain sum of money on demand or at a fixed or determinable time either to the bearer or to the order of a person designated therein.

Notes Receivable: A note payable held by a governmental unit.

Object: As used in expenditure classification, this term applies to the article purchased or the service obtained (as distinguished from the results obtained from expenditures). Examples are personal services, contractual services, materials, and supplies. See also Activity Classification, Functional Classification, and Object Classification.

Objective: Desired output oriented accomplishments that can be measured and achieved within a given time frame. Achievement of the objective advances the activity and organization toward a corresponding goal.

Object Classification: A grouping of expenditures on the basis of goods or services purchased; for example, personal services, materials, supplies and equipment. See also Functional Classification and Activity Classification.

Obligations: Amounts that a governmental unit may be required legally to meet out of its resources. They include not only actual liabilities, but also unliquidated encumbrances.

Obsolescence: The decrease in the value of fixed assets resulting from economic, social, technological, or legal changes.

Operating Budget: Operating budgets serve many purposes within a government entity, but they have two primary purposes: (1) to plan the services that are going to be offered during the coming year and set priorities; (2) to conform with legal requirements to ensure that expenditures do not exceed those appropriated. Operating budgets are also called Annual Budgets. See Budget.

Operating Expenses: (1) As used in the accounts of governmental enterprises, the term means those costs which are necessary to the maintenance of the enterprise, the rendering of services, the sale of merchandise, the production and disposition of commodities produced, and the collection of enterprise revenues, and (2) the term is also sometimes used to describe expenses for general governmental purposes.

Operating Income: Income of a governmental enterprise that is derived from the sale of its goods and/or services. For example, income from the sale of water by a municipal water utility is operating income. See also Operating Revenues.

Operating Revenues: Revenues derived from the operation of governmental enterprises of a business character.

Glossary

Operating Statement: A statement summarizing the financial operations of a governmental unit for an accounting period as contrasted with a balance sheet which shows financial position at a given moment in time.

Ordinance: A formal legislative enactment by the council or governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

Note: The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Ordinarily, the statutes or charter will specify or imply those legislative actions that must be by ordinance and those which may be by resolution. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, universally require ordinances.

Original Cost: The total of assets given and/or liabilities assumed to acquire an asset. In utility accounting, the original cost to the first owner who dedicated the plant to service of the public.

Overhead: Those elements of cost necessary in the production of an article or the performance of a service which are of such a nature that the amount applicable to the product or service cannot be determined accurately or readily. Usually they relate to those objects of expenditures which do not become an integral part of the finished product or service such as rent, heat, light, supplies, management, supervision, etc.

Overlapping Debt: The proportionate share of the debts of local governmental units located wholly or in part within the limits of the reporting government which must be borne by property within each governmental unit. Note: Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessments receivable in each jurisdiction, which will be used wholly or in part to pay off the debt to total assessments receivable, which will be used wholly or in part for this purpose.

Pay-As-You-Go: A method of financing improvements that refers to the allocation of a significant portion of operating revenues each year to a revenue fund. The monies in this fund are to be used for annual improvements or saved until they are sufficient for large projects. A regular allocation made from the operating budget to smooth budget allocations for expenditures and eliminate the need for bond financing. Sometimes referred to as pay-as-you-acquire financing.

Pay-As-You-Use: A method of financing long-term improvements by serial debt issues with maturities arranged so that the retirement of debt coincides with the depreciation or useful life of the improvement. In theory, the interest and debt retirement charges paid by each generation of taxpayers or users coincide with their use and enjoyment of the improvement. Under pay-as-you-use, each user group pays for its own improvements. No one is forced to provide free goods or services for a future generation or to contribute toward facilities for a community in which he or she will not live, nor will new members of the community derive benefits from improvements that they have not assisted in financing.

Prior Years' Tax Levies: Taxes levied for fiscal periods preceding the current one.

Private Trust Fund: A trust fund that will ordinarily revert to private individuals or will be used for private purposes; for example, a fund that consists of guarantee deposits.

Program: A group of related activities performed by one or more organization units for the purpose of accomplishing a function for which the town is responsible.

Project: A plan of work, job, assignment, or task.

Glossary

Proprietary Accounts: Those accounts which show actual financial position and operations, such as actual assets, liabilities, reserves, fund balances, revenues, and expenditures, as distinguished from budgetary accounts.

Proprietary Fund Types: Sometimes referred to as income determination or commercial-type funds, the classification used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal service funds). All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds. The GAAP used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination of net income, financial position and changes in financial position.

Public Trust Fund: A trust fund whose principal, earnings, or both, must be used for a public purpose; for example, a pension or retirement fund.

Purchase Order: A document that authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

Special Purpose District: allows for a dedicated sales tax resource.

Rate Base: The value of utility property used in computing an authorized rate of return as authorized by law or a regulatory commission.

Receipts: This term, unless otherwise qualified, means cash received. See also Revenue.

Recoverable Expenditures: An expenditure made for or on behalf of another governmental unit, fund, or department, or for a private individual, firm, or corporation, which will subsequently be recovered in cash or its equivalent.

Refunding Bonds: Bonds issued to retire bonds already outstanding. The refunding bonds may be sold for cash and outstanding bonds redeemed in cash, or the refunding bonds may be exchanged with holders of outstanding bonds.

Registered Bond: A bond, the owner of which is registered with the issuing governmental unit, and which cannot be sold or exchanged without a change of registration. Such a bond may be registered as to principal and interest or as to principal only.

Reimbursement: Cash or other assets received as a repayment of the cost of work or services performed or of other expenditures made for or on behalf of another governmental unit or department or for an individual, firm, or corporation.

Replacement Cost: The cost as of a certain date of a property which can render similar service (but need not be of the same structural form) as the property to be replaced. See also Reproduction Cost.

Reproduction Cost: The cost as of a certain date of reproducing an exact new property in the same place. Note: Sometimes this term is designated as "reproduction cost new" to distinguish it from "depreciated reproduction cost," which is the reproduction cost of a given property less the estimated amount of accumulated depreciation applicable to it. In the absence of any modifier, however, the term "reproduction cost" is understood to be synonymous with "reproduction cost new." See also Replacement Cost.

Requisition: A written demand or request, usually from one department to the purchasing officer or to another department, for specified articles or services.

Glossary

Reserve: An account which records a portion of the fund balance which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure. A Reserve for Inventories equal in amount to the Inventory of Supplies on the balance sheet of a General Fund is an example of such a reserve.

Reserve for Revenue Bond Debt Service: A reserve in an Enterprise Fund which represents the segregation of a portion of retained earnings equal to current assets that are restricted to current servicing of revenue bonds in accordance with the terms of a bond indenture.

Reserve for Revenue Bond Retirement: A reserve in an Enterprise Fund which represents the segregation of a portion of retained earnings equal to current assets that are restricted for future servicing of revenue bonds in accordance with the terms of a bond indenture.

Resolution: A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an order or statute. See also Ordinance.

Resources: The actual assets of a governmental unit, such as cash, taxes receivable, land, buildings, etc., plus contingent assets such as estimated revenues applying to the current fiscal year not accrued or collected, and bonds authorized and unissued.

Retained Earnings: The accumulated earnings of an Enterprise or Internal Service Fund which have been retained in the fund and which are not reserved for any specific purpose.

Retirement Fund: A fund out of which retirement annuities and/or other benefits are paid to authorized and designated public employees. A retirement fund is accounted for as a Trust Fund.

Revenue: For those revenues which are recorded on the accrual basis, this term designates additions to assets which: (a) do not increase any liability; (b) do not represent the recovery of an expenditure; (c) do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets; and (d) do not represent contributions of fund in Enterprise and Internal Service Funds. The same definition applies to those cases where revenues are recorded on the modified accrual or cash basis, except that additions would be partially or entirely to cash. See also Accrual Basis, Modified Accrual Basis, Cash Basis, Net Revenue Available for Debt Service, and Receipts.

Revenue Bonds: Bonds whose principal and interest are payable exclusively from earnings of a public enterprise. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise's property and are then known as mortgage revenue bonds.

Schedules: (1) The explanatory or supplementary statements that accompany the balance sheet or other principal statements periodically prepared from the accounts. (2) The accountant's or auditor's principal work papers covering his examination of the books and accounts. (3) A written enumeration or detailed list in orderly form. See also Statements.

Securities: Bonds, notes, mortgages, or other forms of negotiable or non-negotiable instruments. See also Investments.

Self-Supporting or Self-Liquidating Debt: Debt obligations whose principal and interest are payable solely from the earnings of the enterprise for the construction or improvement of which they were originally issued. See also Revenue Bonds.

Serial Annuity Bonds: Serial bonds in which the annual installments of bond principal are so arranged that the combined payments for principal and interest are approximately the same each year.

Serial Bonds: Bonds the principal of which is repaid in periodic installments over the life of the issue.

Glossary

Shared Revenue: Revenue which is levied by one governmental unit but shared, usually in proportion to the amount collected, with another unit of government or class of governments.

Short-Term Debt: Debt with a maturity of one year or less after the date of issuance. Short-term debt usually includes floating debt, bond anticipation notes, tax anticipation notes, and interim warrants.

Special Assessment: A compulsory levy made by a local government against certain properties to defray part or all of the cost of a specific improvement or service which is presumed to be of general benefit to the public and of special benefit to such properties.

Note: The term should not be used without a modifier (for example, "special assessments for street paving," or "special assessments for street sprinkling") unless the intention is to have it cover both improvements and services, or unless the particular use is apparent from the context.

Special Assessment Bonds: Bonds payable from the proceeds of special assessments. If the bonds are payable only from the collections of special assessments, they are known as "special assessment bonds." If, in addition to the assessments, the full faith and credit of the governmental unit are pledged, they are known as "general obligation special assessment bonds."

Special Assessment Fund: A fund set up to finance and account for the construction of improvements or provision of services which are to be paid for, wholly or in part, from special assessments levied against benefited property. See also Special Assessment and Special Assessment Bonds.

Special Assessment Roll: The official list showing the amount of special assessments levied against each property presumed to be benefited by an improvement or service.

Special Audit: An audit which is limited to some particular phase of a governmental unit's activity, such as the examination of a Projects Fund, or an audit which covers all of the governmental unit's activities for a shorter or longer period of time than the usual accounting period of one fiscal year. Such audits may involve some detailed verifications as determined by the professional judgment of the auditor, but usually they are based on appropriate tests and checks. See General Audit.

Special District: An independent unit of local government organized to perform a single governmental function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, transit authorities, port authorities, and electric power authorities.

Special Fund: Any fund that must be devoted to some special use in accordance with specific regulations and restrictions. Generally, the term applies to all funds other than the General Fund.

Special Revenue Fund: A fund used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government. Includes intergovernmental revenue in the form of state and federal grant funds.

Statements: (1) Used in a general sense, statements are all of those formal written presentations that set forth financial information. (2) In technical accounting usage, statements are those presentations of financial data that show the financial position and the results of financial operations of a fund, a group of accounts, or an entire governmental unit for a particular accounting period. See also Schedules.

Statute: A written law enacted by a duly organized and constituted legislative body. See also Ordinance and Resolution.

Stores: Goods on hand in storerooms, subject to requisition and use.

Glossary

Straight Serial Bonds: Serial Bonds in which the annual installments of a bond principal are approximately equal.

Surety Bond: A written promise to pay damages or to indemnify against losses caused by the party or parties named in the document, through nonperformance or through defalcation. An example is a surety bond given by a contractor or by an official handling cash or securities.

Surplus: The excess of the assets of a fund over its liabilities, or if the fund has other resources and obligations, the excess of resources over the obligations. The term should not be used without a properly descriptive adjective unless its meaning is apparent from the context. See also Fund Balance, and Retained Earnings.

Symbolization: The assignment of letters, numbers, or other marks or characters to the ordinary titles of the ledger accounts. Each letter or number should have the same meaning wherever used and should be selected with great care so that it will indicate, immediately and with certainty, the title of the account, as well as its place in the classification. The use of proper symbols saves much time and space in making the book record and adds to its precision and accuracy. See also Coding.

Tax Levy: The total amount to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.

Tax Levy Ordinance: An ordinance by means of which taxes are levied.

Tax Liens: Claims which governmental units have upon properties until taxes levied against them have been paid.

Note: The term is sometimes limited to those delinquent taxes for the collection of which legal action has been taken through the filing of liens.

Tax Rate: The amount of tax levied for each \$100 of assessed valuation.

Tax Rate Limit: The maximum rate at which a governmental unit may levy a tax. The limit may apply to taxes raised for a particular purpose, or to taxes imposed for all purposes; and may apply to a single government, to a class of governments, or to all governmental units operating in a particular area. Overall, tax rate limits usually restrict levies for all purposes and of all governments, state and local, having jurisdiction in a given area.

Tax Roll: The official list showing the amount of taxes levied against each taxpayer or property. Frequently, the tax roll and the assessment roll are combined, but even in these cases the two can be distinguished.

Tax Supplement: A tax levied by a local unit of government which has the same base as a similar tax levied by a higher level of government, such as a state or province. The local tax supplement is frequently administered by the higher level of government along with its own tax. A locally imposed, state-administered sales tax is an example of a tax supplement.

Taxes: Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

Note: The term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, water and sewer charges.

Taxes Receivable-Current: The uncollected portion of taxes that a governmental unit has levied, which has become due but on which no penalty for nonpayment attaches.

Glossary

Taxes Receivable-Delinquent: Taxes remaining unpaid on and after the date on which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or canceled, the unpaid balances continue to be delinquent taxes until paid, abated, canceled, or converted into tax liens.

Term Bonds: Bonds that the entire principal of which matures on one date. Also called sinking fund bonds.

Trust and Agency Funds: Funds used to account for assets held by a government in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Trust Fund: A fund consisting of resources received and held by the governmental unit as trustee, to be expended or invested in accordance with the conditions of a trust. See also Private Trust Fund and Public Trust Fund.

Unappropriated Budget Surplus: Where the fund balance at the close of the preceding year is not included in the annual budget, this term designates that portion of the current fiscal year's estimated revenues which has not been appropriated. Where the fund balance of the preceding year is included, this term designates the estimated fund balance at the end of the current fiscal period.

User Charges: The payment of a fee for direct receipt of a public service by the party benefiting from the service.

Utility Fund: See Enterprise Fund.

Work Program: A plan of work proposed to be done during a particular period by an administrative agency in carrying out its assigned activities.



THANK YOU, BUDGET TEAM!

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