



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2025  
Prosper, Texas



**TOWN OF PROSPER, TEXAS**

YEAR ENDED SEPTEMBER 30, 2025

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**INTRODUCTORY  
SECTION**



March 02, 2026

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

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

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

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

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

#### History of Prosper

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

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

#### Accounting System and Budgetary Control

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

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

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

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

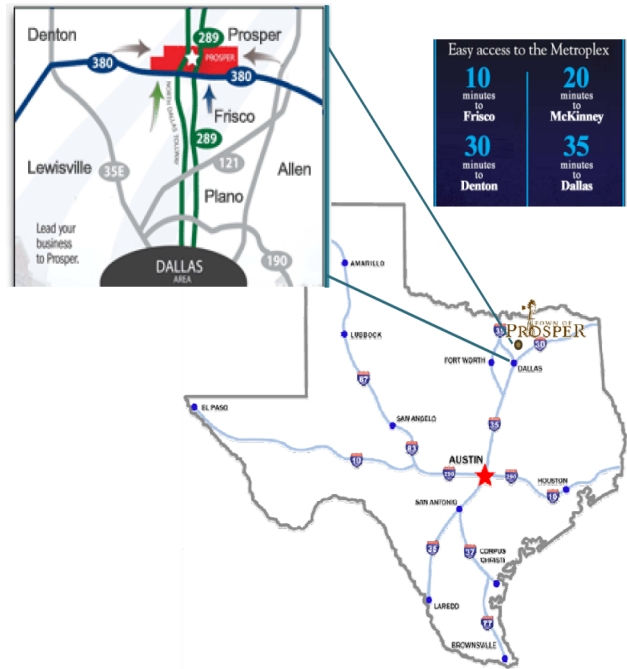
#### The Reporting Entity Profile

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

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

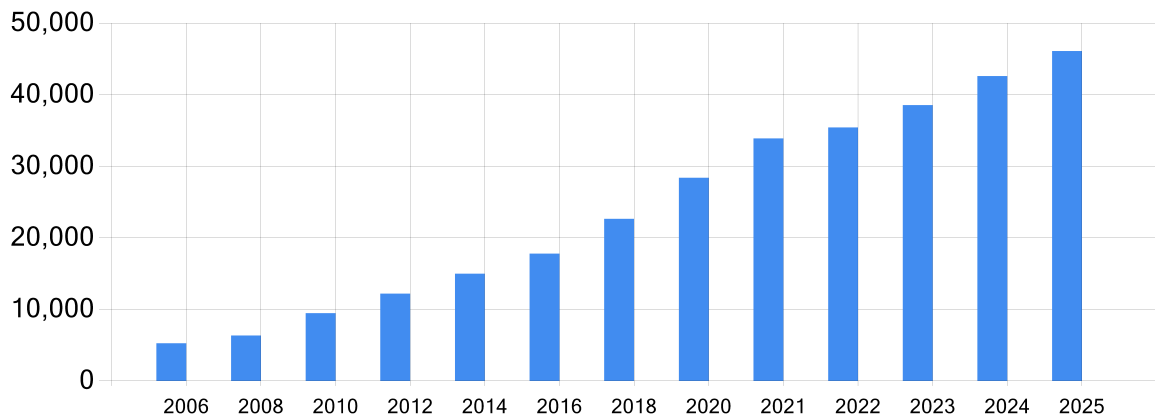
The Prosper Economic Development Corporation (PEDC) is Town-chartered and governed by a seven-member Board of Directors appointed by the Town Council. The Town has included the financial statements for the PEDC in its government-wide financial statements as a discreetly presented component unit. Component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

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



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

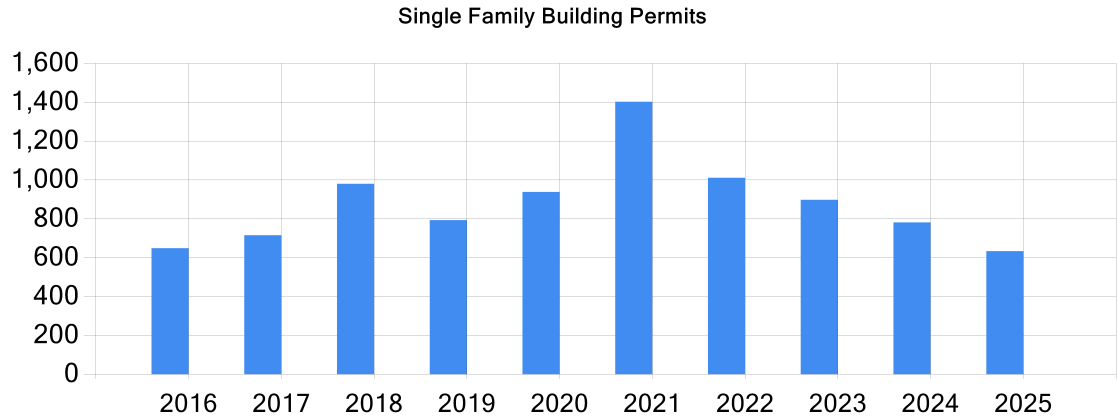
Population



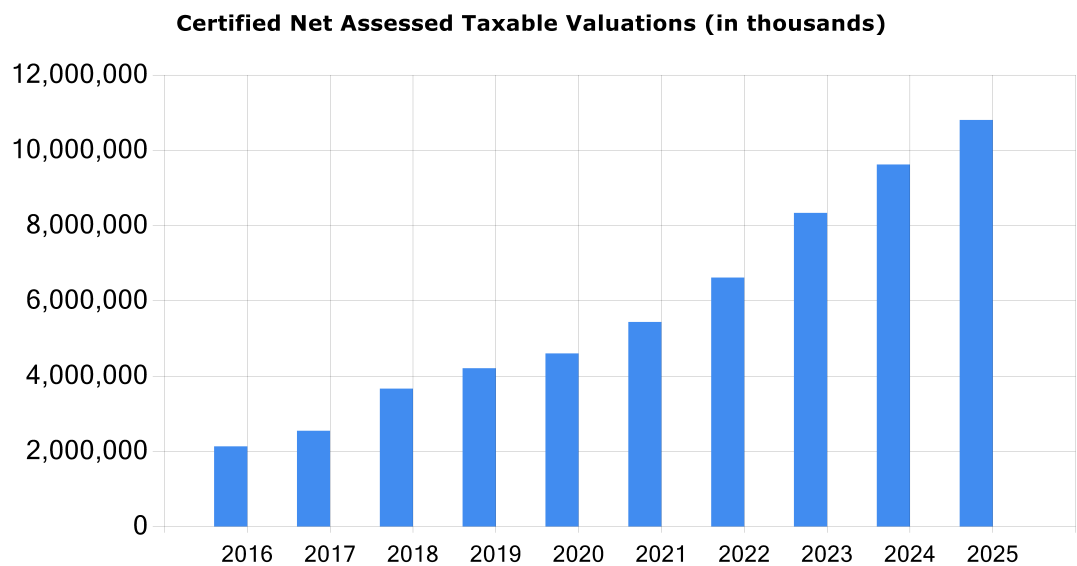
Source: North Central Texas Council of Government and U.S. Census Bureau

### The Economic Outlook

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



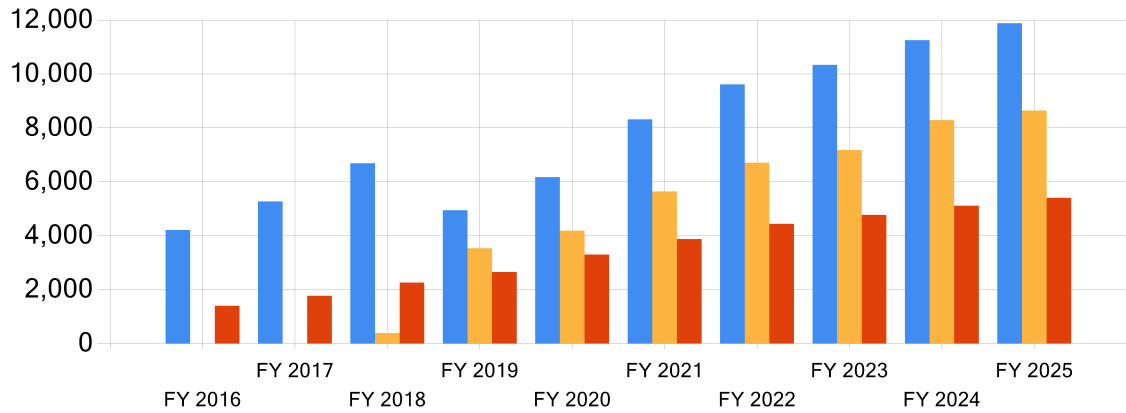
According to the Dallas Federal Reserve Bank’s *2025 Dallas-Fort Worth Economic Indicators*, DFW had a 4.2% unemployment rate, year-over-year wage growth of 3.4% and an annualized job growth for the September quarter of 2.8%. While the region continues to benefit from in migration, the effects of tariffs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



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

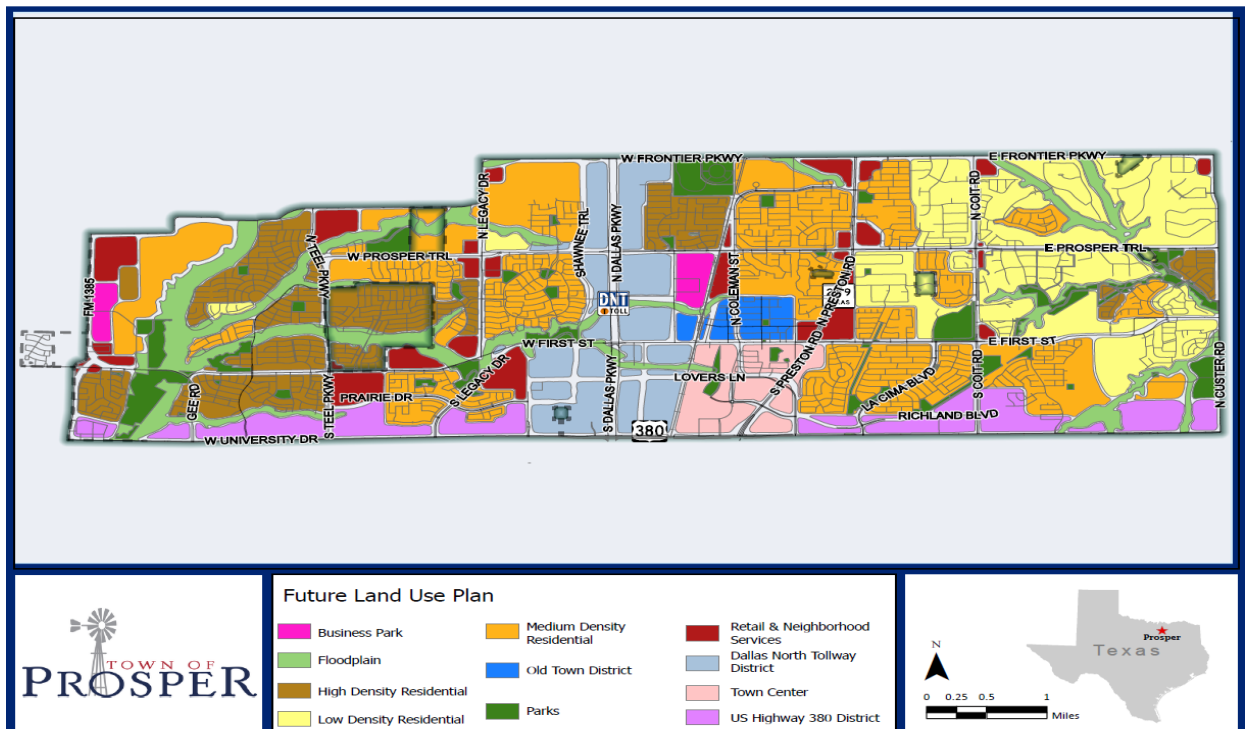
The Town continues to experience significant assessed valuation growth. Certified property valuations increased by \$1,805M (15%) and \$1,184M (12.3%) for the fiscal years 2025 and 2026 budget, respectively.

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



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

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



Long Term Financial Planning

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

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

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

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

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

#### Independent Audit

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

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

#### Certificate of Achievement

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

#### Acknowledgments

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

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

Respectfully submitted,

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



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Prosper  
Texas**

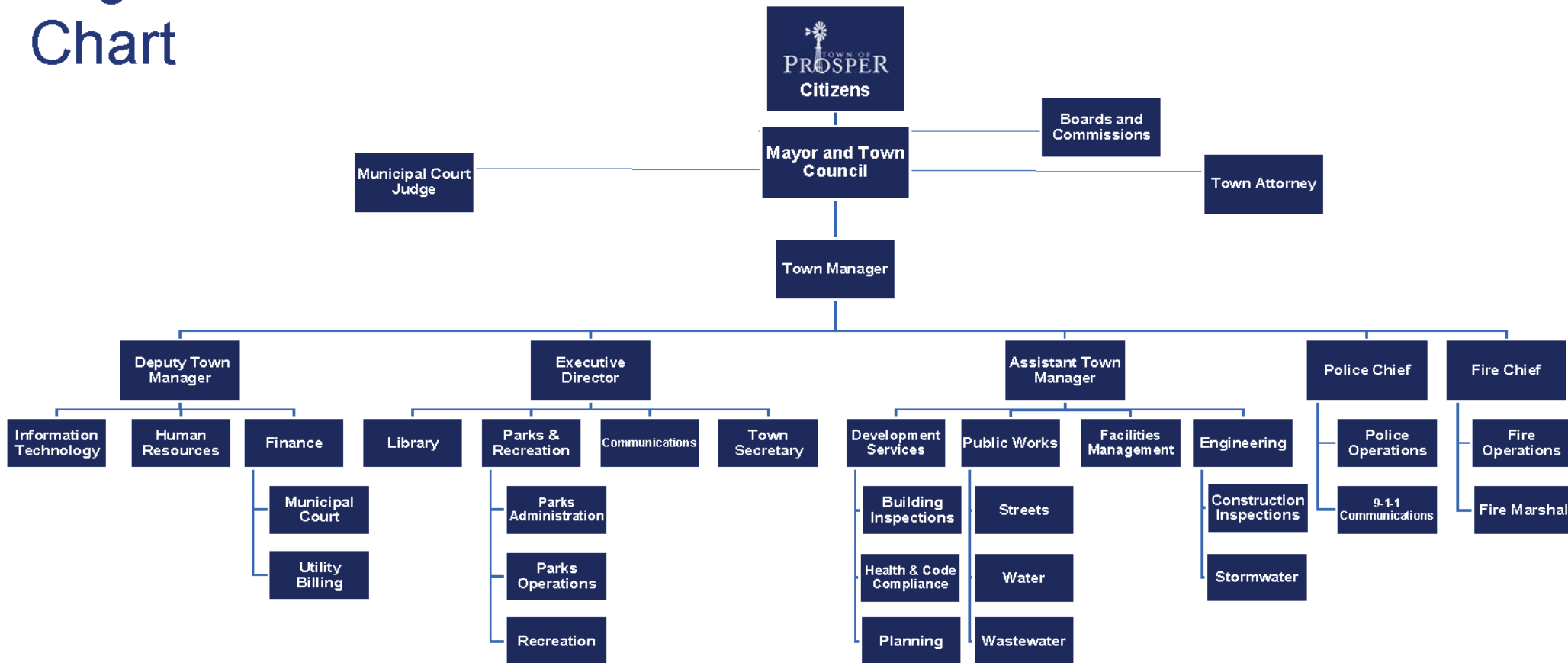
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2024

*Christopher P. Morill*

Executive Director/CEO

# Organizational Chart



**TOWN OF PROSPER, TEXAS**  
**LIST OF PRINCIPAL OFFICIALS**

FISCAL YEAR ENDED SEPTEMBER 30, 2025

TOWN COUNCIL

Mayor \_\_\_\_\_ David F. Bristol 


Council Member Place 1, \_\_\_\_\_ Marcus E. Ray 

Council Member Place 2 \_\_\_\_\_ Craig Andres 

Council Member Place 3, Mayor Pro-Tem \_\_\_\_\_ Amy Bartley 

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

Council Member Place 5 \_\_\_\_\_ Jeff Hodges 

Council Member Place 6 \_\_\_\_\_ Cameron Reeves 

**TOWN OF PROSPER, TEXAS**  
**LIST OF PRINCIPAL OFFICIALS**

FISCAL YEAR ENDED SEPTEMBER 30, 2025

APPOINTED OFFICIALS

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



# FINANCIAL SECTION



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## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### Opinions

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

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

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

**Supplementary Information**

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

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

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

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

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

**Other Reporting Required by Government Auditing Standards**

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P

Dallas, Texas  
March 2, 2026



# MANAGEMENT'S DISCUSSION AND ANALYSIS

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

March 02, 2026

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

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

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

**GOVERNMENT WIDE FINANCIAL STATEMENTS**

These two statements are divided into three distinct columns:

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

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

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

**FUND FINANCIAL STATEMENTS**

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

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

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

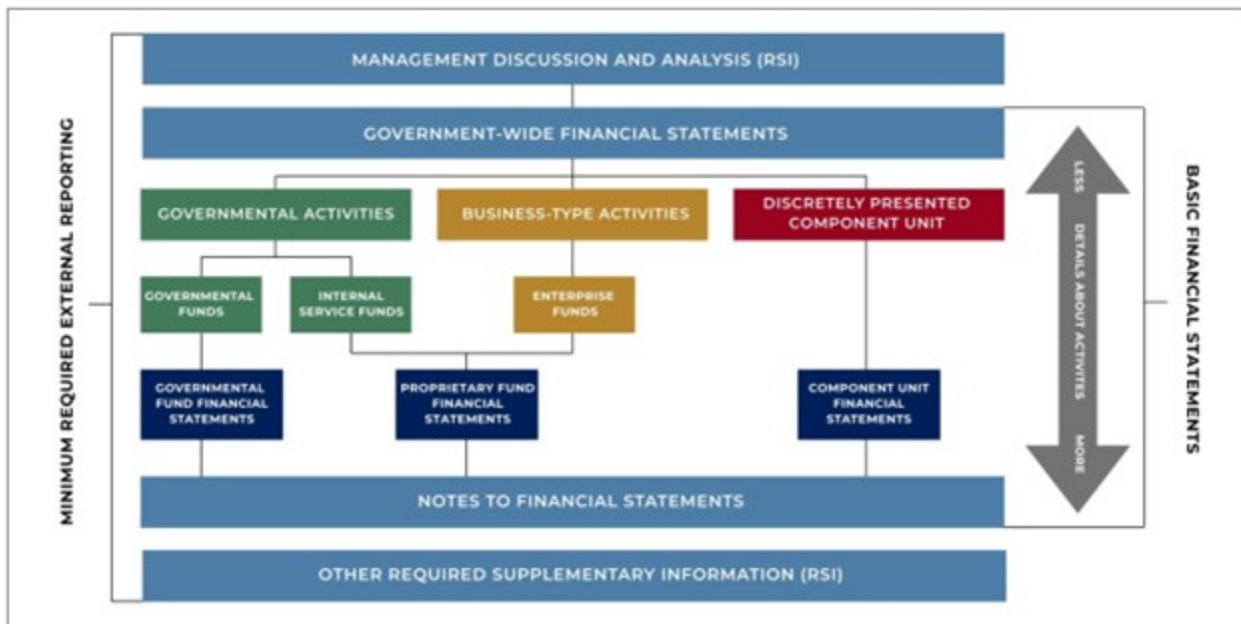
**Proprietary Fund Financial Statements.** These statements report the business-type activities (enterprise funds) and the services provided to Town departments (internal service funds). For purposes of entity-wide reporting, internal service funds are consolidated into the Governmental Activities column.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

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

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

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

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



## Types of Information in the Financial Statements

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

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

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

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

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

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

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

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

## ANALYSIS OF THE TOWN'S FINANCES

### Town of Prosper's Net Position Government-Wide

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

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

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

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

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

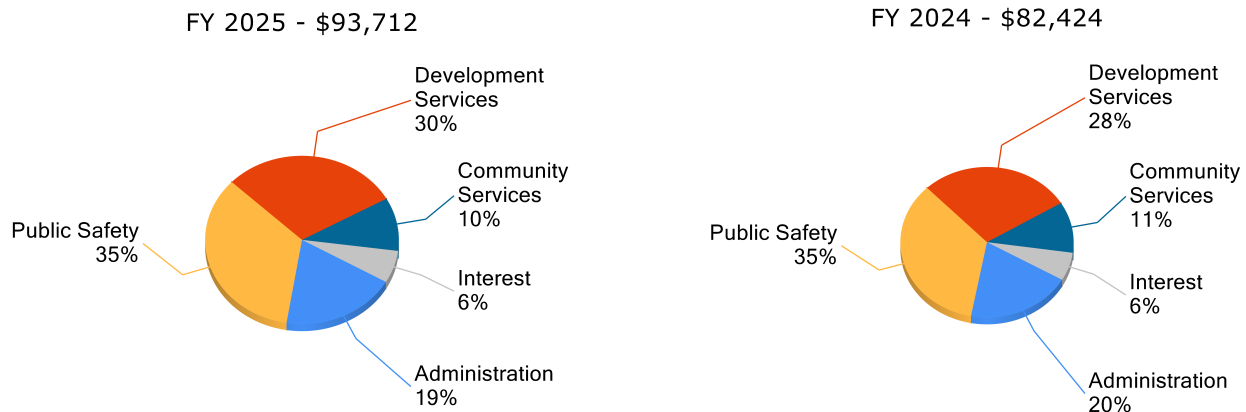
Regarding individual balances reported on the Statement of Net Position, Restricted Assets decreased 15% to \$160,018 as the Town continues its emphasis on accelerating infrastructure construction and spends down bond proceeds. In the Business Type Activities debt increased by 40% to \$111,446 due to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

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

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

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

#### Governmental Activities Expenses by Type Governmental Activities



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

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

### **Business-Type Activities**

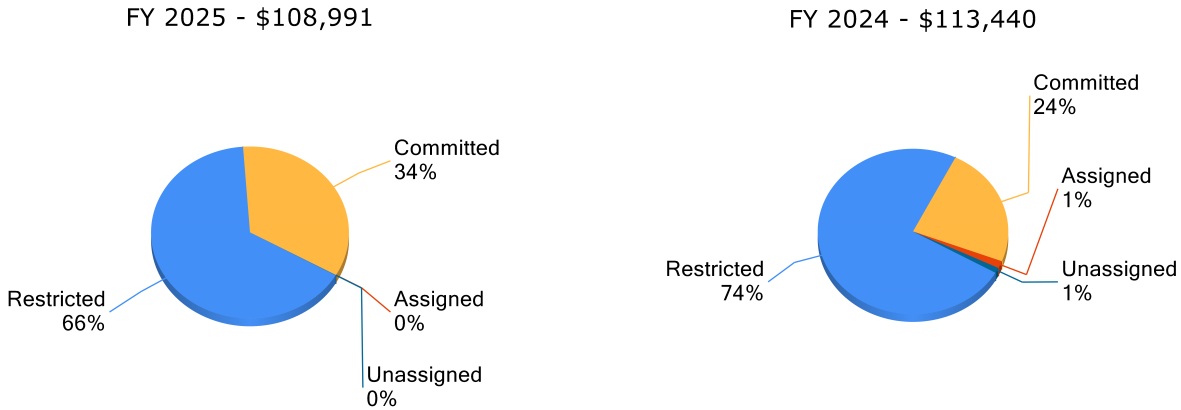
Business-type activities increased the Town's net position by \$31,781. The following factors contributed to this change:

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

### **FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

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

## Fund Balance by Type Governmental Funds



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

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

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

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

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

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

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

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

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

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

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

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

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

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

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

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

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

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

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

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

Total long-term liabilities consisted of the following:

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

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

**CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS**

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

**Next Year’s Budget**

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

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

Highlights of the Fiscal Year 2026 budget:

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

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

**Debt Defeasance**

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



# BASIC FINANCIAL STATEMENTS

**TOWN OF PROSPER, TEXAS**

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

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

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

**TOWN OF PROSPER, TEXAS**

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

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

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

**TOWN OF PROSPER, TEXAS**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

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

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

**TOWN OF PROSPER, TEXAS**

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

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

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

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



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**TOWN OF PROSPER, TEXAS**

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

SEPTEMBER 30, 2025

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

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

**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

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

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



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**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities that cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, or donations) to net position.

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

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

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

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

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

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

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

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

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

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

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

**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

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

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

**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

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

**TOWN OF PROSPER, TEXAS**

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

SEPTEMBER 30, 2025

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

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



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**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

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

**TOWN OF PROSPER, TEXAS**

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

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

Total Enterprise	Governmental Activities Internal Service Funds
\$ 42,205,849	\$ 4,985,153
(26,521,403)	(332)
-	(7,180,895)
<u>(5,813,347)</u>	<u>-</u>
<u>9,871,099</u>	<u>(2,196,074)</u>

<u>(1,950,693)</u>	<u>2,157,807</u>
--------------------	------------------

35,406,054	-
(4,400,903)	-
(45,931,866)	(2,420,488)
(3,310,986)	-
(346,372)	-
-	-
214,081	-
(1,356,871)	-
<u>4,401,880</u>	<u>-</u>

<u>(15,324,983)</u>	<u>(2,420,488)</u>
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(2,892,771)	(971,421)
2,457,839	232,688
-	-
97,130	-
160,370	-
<u>(177,432)</u>	<u>(738,733)</u>
(7,582,009)	(3,197,488)
<u>78,950,617</u>	<u>6,467,457</u>
<u>\$ 71,368,608</u>	<u>\$ 3,269,969</u>

\$ (97,745)	\$ (3,706,837)
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8,760,728	1,643,088
129,070	(236,952)
318,818	-
2,457	-
-	-
82,622	-
888,856	104,627
(34,500)	-
(139,368)	-
(81,513)	-
41,674	-
<u>\$ 9,871,099</u>	<u>\$ (2,196,074)</u>

28,424,802	1,603,164
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## TOWN OF PROSPER, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### **A. Reporting Entity**

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

##### **Discretely Presented Component Unit**

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

##### **Blended Component Units**

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

##### **B. Government-wide and Fund Financial Statements**

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

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

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

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

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

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

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

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

The Town reports the following major governmental funds:

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

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

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

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

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

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

principal operating revenues of the proprietary funds are charges to customers for sales and services. The proprietary funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major proprietary funds:

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

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

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

The Town reports two internal service funds:

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

#### **D. Deposits and Investments**

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

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

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

#### **F. Inventories and Prepaid Items**

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

#### **G. Restricted Assets**

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

#### **H. Deferred Outflows/Inflows of Resources**

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

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

**I. Capital Assets**

Capital assets are tangible and intangible, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and right to use assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements, as well as in the proprietary fund statement of net position. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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

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

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

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

**J. Intangible Assets**

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

**K. Leases and Subscription-Based Information Technology Arrangements**

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

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

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

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

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

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

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

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

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

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

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

**L. Compensated Absences**

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

**M. Pension**

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

**N. Health Claims Liability**

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

**O. Long-Term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued during the period is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**P. Net Position and Fund Balance**

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

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

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

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

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

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

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

### **Net Position Flow Assumption**

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

### **Fund Balance Flow Assumption**

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

## **Q. Revenues and Expenditures/Expenses**

### **Program Revenues**

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

### **Property Taxes**

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

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

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

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

### **Sales Tax**

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

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

### **Proprietary Funds Operating and Non-operating Revenues and Expenses**

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues not meeting this definition are reported as non-operating revenues and expenses.

### **R. Use of Estimates**

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

### **S. Recent Accounting Pronouncements**

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

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

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

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

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

## **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **Budgetary Control**

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

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

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

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

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

### **III. DEPOSITS AND INVESTMENTS**

#### **Deposits**

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

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

#### **Investments**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### IV. FAIR VALUE MEASUREMENTS

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

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

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

**V. RECEIVABLES**

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

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

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

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

**VI. CAPITAL ASSETS**

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

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

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

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

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

Governmental activities:	
Administration	\$ 1,087,870
Police	1,325,278
Fire	1,534,266
Development Services	35,361
Public Works	10,441,463
Community Services	1,714,871
Engineering	21,750
Total	<u>\$ 16,160,859</u>
Business-type activities:	
Water and sewer	\$ 5,991,412
Solid Waste	138,101
Stormwater drainage utility	2,631,215
Total	<u>\$ 8,760,728</u>

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

**VII. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The outstanding balances between funds result mainly from the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances at September 30, 2025 were as follows:

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

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

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

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

Interfund transfers made during the fiscal year were as follows:

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

**VIII. LONG-TERM LIABILITIES**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Lease Liability**

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

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

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

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

**SBITA Liability**

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

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

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

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

**IX. RESTRICTED ASSETS**

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

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

**X. RISK MANAGEMENT**

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

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

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

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

**XI. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

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

## XII. DEFINED BENEFIT PENSION PLAN

### Plan Description

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

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

### Benefits Provided

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

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

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

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

### Employees Covered by Benefit Terms

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

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

## Contributions

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

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

## Net Pension Liability

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

## Actuarial Assumptions

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

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

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and females rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

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

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

### Discount Rate

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

### Changes in Net Pension Liability

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

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

The PEDC reported the following changes in Net Pension Liability:

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

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

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

### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRs financial report. That report may be obtained electronically at [www.TMRS.com](http://www.TMRS.com).

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

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

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

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

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

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

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

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

### **XIII. TAX ABATEMENTS AND ECONOMIC INCENTIVES**

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

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

#### **General Economic Development**

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

**Tax Increment Reinvestment Zone**

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

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

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

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

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

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

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

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

#### **XIV. COMMITMENTS AND CONTINGENCIES**

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

#### **XIV. SUBSEQUENT EVENTS**

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

##### November 4, 2025:

The Town held a bond election with the following results:

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

##### November 20, 2025:

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

##### December 9, 2025:

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



**REQUIRED  
SUPPLEMENTARY  
INFORMATION  
SECTION**

**TOWN OF PROSPER, TEXAS**

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

LAST TEN FISCAL YEARS  
(UNAUDITED)

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

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

**TOWN OF PROSPER, TEXAS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
TEXAS MUNICIPAL RETIREMENT SYSTEM

LAST TEN FISCAL YEARS  
(UNAUDITED)

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

**NOTES TO SCHEDULE OF CONTRIBUTIONS**

**Valuation Date:**

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

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	20 Years (longest amortization ladder)
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

**Other Information:**

Notes There were no benefit changes during the year.

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



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# COMBINING AND INDIVIDUAL FUND SCHEDULES



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## **NONMAJOR GOVERNMENTAL FUNDS**

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

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

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

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

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

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

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

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

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

**TOWN OF PROSPER, TEXAS**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

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

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

**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

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

**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

**TOWN OF PROSPER, TEXAS**

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

SEPTEMBER 30, 2025

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

**TOWN OF PROSPER, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

**TOWN OF PROSPER, TEXAS**

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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



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# STATISTICAL SECTION

**STATISTICAL SECTION  
(UNAUDITED)**

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

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

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

**TOWN OF PROSPER, TEXAS**

NET POSITION BY COMPONENT

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

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

Source: Town financial statements

Notes:

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

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

**TABLE 1**

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

**TOWN OF PROSPER, TEXAS**

CHANGE IN NET POSITION

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

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

**TABLE 2**

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

(continued)

**TOWN OF PROSPER, TEXAS**

CHANGE IN NET POSITION

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

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

Source: Town financial statements

Notes:

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

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

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

**TABLE 2  
(continued)**

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

**TOWN OF PROSPER, TEXAS**

FUND BALANCES OF GOVERNMENTAL FUNDS

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

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

Source: Town financial statements

Notes:

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

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

**TABLE 3**

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

**TOWN OF PROSPER, TEXAS**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

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

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

Source: Town Financial Statements

**TABLE 4**

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

**Notes:**

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

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

**TOWN OF PROSPER, TEXAS****TABLE 5**

## GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

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

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

Source: Town Financial Statements

**TOWN OF PROSPER, TEXAS**

**TABLE 6**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

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

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

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

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

**TOWN OF PROSPER, TEXAS**

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

LAST TEN FISCAL YEARS  
(UNAUDITED)

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

Source: Collin County and Denton County Appraisal Districts.

<sup>1</sup> Tax rate is per \$100 of taxable assessed value.

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

**TABLE 7**

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

**TOWN OF PROSPER, TEXAS**

**TABLE 8**

PROPERTY TAX LEVIES AND COLLECTION

LAST TEN FISCAL YEARS  
(UNAUDITED)

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

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

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

**TOWN OF PROSPER, TEXAS**

**TABLE 9**

**PRINCIPAL WATER AND SEWER CUSTOMERS**

**CURRENT YEAR AND PRIOR YEAR  
(UNAUDITED)**

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

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

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

**TOWN OF PROSPER, TEXAS**

**TABLE 10**

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

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

Source: Collin and Denton County Appraisal Districts



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**TOWN OF PROSPER, TEXAS**

RATIOS OF OUTSTANDING DEBT BY TYPE

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

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

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

<sup>1</sup> See the Schedule of Demographic and Economic Statistics for personal income and population data.

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

**TABLE 11**

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

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

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

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

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

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

<sup>2</sup> Population data can be found in the Schedule of Demographic and Economic Statistics.

<sup>3</sup> The amounts include the premium portions of the debt.

**TOWN OF PROSPER, TEXAS**

**TABLE 13**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2025  
(UNAUDITED)

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

Source: Electronic Municipal Market Access

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

**TOWN OF PROSPER, TEXAS**

TAX RATE INFORMATION

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

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

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

**TABLE 14**

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

**TOWN OF PROSPER, TEXAS**

**TABLE 15**

WATER AND SEWER COVERAGE RATIO

LAST TEN FISCAL YEARS  
(UNAUDITED)

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

Source: Town Financial Statements and Debt Service Schedules

Notes:

Direct operating expense excludes depreciation and amortization.

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

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

**TOWN OF PROSPER, TEXAS**

**TABLE 16**

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS  
(UNAUDITED)

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

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

<sup>2</sup> Personal income and per capita personal income data not available specific to Prosper. Per capita personal income was obtained from [www.bea.gov](http://www.bea.gov) for Collin County. 2023 was the last year of published data.

<sup>3</sup> Enrollment data comes from Prosper Independent School District.

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

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

**TOWN OF PROSPER, TEXAS**

**TABLE 17**

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

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

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

Source: Prosper EDC

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



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**TOWN OF PROSPER, TEXAS**

OPERATING INDICATORS BY FUNCTION/PROGRAM

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

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

Source: Town Staff.

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

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

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

**TABLE 18**

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

**TOWN OF PROSPER, TEXAS**

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS  
(UNAUDITED)

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

Source: Town Annual Budget

**TABLE 19**

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