TEXOMA AREA PARATRANSIT SYSTEM, INC.
AGENDA
BOARD OF DIRECTORS MEETING

Notice is hereby given that a regular meeting of the Board of Directors of the Texoma Area Paratransit System will be held **February 11, 2026** @ 2:00pm at 6104 Texoma Parkway, Sherman, TX **or virtually at:**

Join the meeting now
Meeting ID: 328 173 157 630 1
Passcode: c4cX3pp6

Agenda as follows:

I. Establish Quorum, Call to Order and Invocation

II. Public Comments - Citizens may speak on items listed on this agenda. A "Request to Speak Card" should be completed and returned to the Board Secretary before the Board meeting convenes. Citizen comments are limited to three (3) minutes.

III. Approval of Board Minutes – Minutes from the November 19, 2025, meeting is attached and submitted for review and consideration of approval.

IV. TAPS Fiscal Year 2025 Financial Audit Report – Michelle Treschwig with Kushner LaGraize will deliver the Audit Report.

V. Review and Adopt Financial Policies and Procedures Update – Staff request Board review and consider adoption of Financial Policies and Procedures Update. This update includes updates to FTA and TXDOT rules and regulations.

VI. Review and Adopt Procurement Policies and Procedures Update – Staff request Board review and consider adoption of Procurement Policies and Procedures Plan Update. This update includes updates to FTA and TXDOT rules and regulations.

VII. Greyhound Bus Station – Staff to discuss possibility of agency becoming Greyhound Bus Station Site and requests Board consideration.

VIII. TAPS Bank Accounts – Staff will discuss banking options for the TAPS bank accounts and requests Board consideration.

IX. FY26 TAPS Budget Amendment – Staff will present Board with proposed budget amendment for discussion and consideration for approval.

X. Capital Projects – Staff will update the Board on planned capital projects.

XI. Monthly Financial Update – Staff will review monthly statements and recent bank statement analysis provided in the board packets and answer any questions the Board has regarding reports.

TEXOMA AREA PARATRANSIT SYSTEM, INC.
AGENDA
BOARD OF DIRECTORS MEETING

XII. Operational Update – Staff provide operational reports and will answer any questions the Board has regarding reports.

XIII. Executive Session – Pursuant to Chapter 551 of the Texas Government Code, the board may convene into executive session to discuss the following subjects and reconvene to take any action resulting from the Executive Session (the board reserves the right to convene into executive session throughout this meeting):

1. For deliberation of contract negotiations with a third party. Section 551.0725

Following the closed Executive Session, the Board of Directors will reconvene in open and public session and take any such action as may be desirable or necessary as a result of the closed deliberations.

XIV. Action on Item Discussed in Executive Session – TAPS Board of Directors to take action on item discussed in Executive Session.

XV. Schedule next Board meeting – Next Board meeting to be tentatively scheduled for May 20, 2026 at 2pm.

XVI. Comments by TAPS Board of Directors

XVII. Adjournment

BOARD MINUTES

TEXOMA AREA PARATRANSIT SYSTEM
MINUTES OF THE BOARD OF DIRECTORS
REGULAR MEETING
NOVEMBER 19,2025

MEMBERS PRESENT: Pamela Howeth Chairperson, Doug Kopf, Mike Campbell, Art Arthur, Matt Sicking, Teresa Adams, Kevin Benton, and John Burnett.

MEMBERS MISSING: J.D. Clark, Art Arthur

STAFF PRESENT: Shellie White, Bill Null, Joe Penson, Brenda Davis, and Karen Kemp.

Guest Present: Scott Germann

I. **CALL TO ORDER:** Chairperson Pamela Howeth declared a quorum, calling the meeting to order at 2:05 P.M

II. **INVOCATION:** Teresa Adams provided an invocation.

III. **PUBLIC COMMENTS:** Citizens may speak on items listed on the agenda as Public Hearings. A "Request to Speak Card" should be completed and returned to the Board Secretary before the Board considers the item listed under Public Hearings. Citizen Comments on public hearings are limited to three (3) minutes.

   a. There were no speakers.

IV. **Approval of Board Minutes:** Board member Pamela Howeth presented the minutes from the August 21,2025, Board Meeting for approval. Board Member Art Arthur made a motion to approve the board minutes as presented. Teresa Adams asked for corrections to the date of the minutes. Board member Matt Sicking made a motion to approve with the date correction and John Burnett seconded the motion. The motion passed unanimously.

V. **Executive Session:** Pursuant to Chapter 551 of the Texas Government Code, the Board may convene into Executive Session to discuss the following subjects and reconvene to take any action resulting from the Executive Session (the Board reserves the right to convene into Executive Session throughout this meeting):

1. For deliberation of contract negotiations with a third party. Section 551.0725

Following the closed Executive Session, the Board of Directors will reconvene in open and public session and take any such action as may be desirable or necessary because of the closed deliberations. Board member Doug Kopf made a motion to move up the Executive Session on the Agenda. Board Member Teresa Adams seconded the motion. The motion passed unanimously.

VI. **Action taken as a result of closed deliberations:** Deliberations of Contract negotiations with a third party. Section 551.0725 results of the scoring were reviewed. RMS score was 160 via 5 Board Members score. VIA scored 596 with 7 board member scores. Transdev scored 806 with 7 Board member scores. A Role call and vote were taken Mike Campbell Voted for Transdev, Kevin Benton voted for Transdev, Matt Sicking voted for Transdev, Doug Kopf voted for Transdev, Teresa Adams Voted for Transdev, Pam Howeth voted for Transdev, Art Authur Voted for Transdev. Matt Sicking made a motion to approve Transdev as TAPS management company Pending Review of Final contract. Teresa Adams seconded the motion. The motion passed unanimously.

VII.

Executive Officer Elections for TAPS Board of Directors: Recognize Board Membership and elect Board Officers:

Current Officers:

Board Chairperson- Pamela Howeth, City of Sherman Council
Board Vice- Chair – Mike Campbell, Clay County Judge
Board Treasurer- Matt Sicking, Cooke County Commissioner

Board Member Doug Kopf made a motion to approve the Current Board Members to maintain their same positions with no changes. Board member Matt Sicking seconded the motion. The motion passed unanimously.

VIII. Review and Adopt Transit asset Management (TAM) Plan Update: Staff request Board review and consider adoption of TAM Plan Update With the only update being to the annual inventory update. Board Member Teresa Adams made a motion to approve the TAM Plan. Board member Matt Sicking seconded the motion. The motion passed unanimously.

IX. **Review Public Transportation Agency Safety Plan (PTASP) Update:** staff request Board review of the PTASP Plan Update. There were no changes to the plan. No adoption necessary

X. **New Transit Building Update:** Staff updated the Board on the Building status. TAPS received its Certificate of Occupancy items still on the punch list and expected date of completion was discussed. With no questions or concerns from the Board.

XI. **Capital Projects:** Staff presented the Board with the planned Capital Projects with no questions or concerns from the board.

XII. **Monthly Financial Update:** Staff reviewed the Financials with the Board. With no questions or concerns from the Board.

XIII. **Operational Update:** Staff provided the Board with the operational update with no questions or concerns from the board.

XIV. **Consider/ Adopt Bank Account Signature Authority:** With no changes to the Elected officers, no action was taken.

XV. **TAPS Delegation of Authority:** No action was taken due to no changes of Officers.

XVI. **Schedule next board meeting:** Next Board meeting was set for February 11, 2026, at 2pm.

XVII. **Comments by TAPS Board of Directors:** None

XVIII. **Adjournment:** Meeting was adjourned at 3:20 pm.

TAPS FY25 FINANCIAL AUDIT REPORT

TEXOMA AREA PARATRANSIT SYSTEM, INC.

AUDITED FINANCIAL STATEMENTS

For the Years Ended September 30, 2025 and 2024

TEXOMA AREA PARATRANSIT SYSTEM, INC.

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INDEPENDENT AUDITORS' REPORT

TEXOMA AREA PARATRANSIT SYSTEM, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025 and 2024

This section of Texoma Area Paratransit System, Inc. (TAPS) annual financial report presents our discussion and analysis of TAPS financial performance during the fiscal year that ended on September 30, 2025. Please read it in conjunction with TAPS' financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- TAPS' net position was $7,516,729, an increase of $2,842,922 from the prior year.
- Operating revenues from fare box collections for the year were $48,277, a decrease of $751 from the prior year. Expenses from operations were $4,040,205, up by $454,750 from the prior year. This is primarily due to an increase in depreciation resulting from the replacement of rolling stock.
- Federal, state and local grants for operations were $2,754,099, a decrease of $159,637.
- Federal and state capital contributions were $3,708,250. This is due to the construction of a new operations facility of approximately $2,900,00 and the purchase of rolling stock of approximately $650,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of three parts - management's discussion and analysis, the basic financial statements and other supplementary information. The financial statements also include notes that explain in more detail some of the information in the financial statements and provide more detailed data.

The *Basic Financial Statements* – Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows provide both long-term and short-term information about the overall financial status. The Statement of Net Position includes all assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). This financial statement reports net assets and how they have changed. Net Position – the difference between assets and liabilities – are one way to measure financial health or position. Over time, increases or decreases in net position are an indicator of whether its financial health is improving or deteriorating, respectively. The Statement of Net Position also provides the basis for computing rate of return, evaluating the capital structure and assessing liquidity and financial flexibility.

All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of operations over the past year and can be used to determine whether operations have successfully recovered all its costs through user fees and other charges, profitability, and credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, capital and financing activities and provides answers to such questions as where did the cash come from, what was the cash used for, and what was the change in cash balance during the reporting period.

Our auditor has provided assurance in the Independent Auditors' Report, located immediately preceding this MD&A, that the Basic Financial Statements are fairly stated. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the parts in the Financial Statements.

FINANCIAL ANALYSIS

The Statements of Net Position includes all of the assets and liabilities and provides information about the nature and amount of investments in resources and the obligations to creditors. This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility.

To begin our analysis, a condensed summary of the Statement of Net Position is presented in the table below.

	2025	2024
ASSETS		
Current assets	$ 1,397,772	$ 1,281,452
Restricted assets	198,311	198,014
Capital assets, net of depreciation	7,445,962	4,479,388
Total Assets	9,042,045	5,958,854
LIABILITIES		
Current liabilities	1,525,316	1,207,149
Long-term liabilities	-	59,898
Total Liabilities	1,525,316	1,267,047
NET POSITION		
Net investment in capital assets	7,445,962	4,479,388
Restricted	198,311	198,014
Unrestricted	(127,544)	14,405
Total net position	$ 7,516,729	$ 4,691,807

Ending net position was $7,516,729, an increase of $2,824,922 from the prior year. Of the total net position, $7,445,962, is not available for use as it is an investment in capital assets.

TEXOMA AREA PARATRANSIT SYSTEM, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

For the Year Ended September 30, 2025 and 2024

A condensed summary of the Statement of Revenues, Expenses and Changes in Net Position is presented in the table below.

	2025	2024
OPERATING REVENUES	$ 3,036,406	$ 3,203,556
DIRECT OPERATING EXPENSES		
Depreciation	917,575	514,588
Operating	3,122,630	3,070,867
Total Operating Expenses	4,040,205	3,585,455
Loss from operations	(1,003,799)	(381,899)
NONOPERATING REVENUES (EXPENSES)	120,471	24,440
CAPITAL CONTRIBUTIONS	3,708,250	2,628,237
Change in Net Position	2,824,922	2,270,778
NET POSITION - Beginning	4,691,807	2,421,029
NET POSITION - Ending	$ 7,516,729	$ 4,691,807

Changes in Net Position

Operating revenues from farebox collections for the year decreased. Operating expenses increased by $454,750. This is primarily due to an increase in depreciation resulting from the replacement of rolling stock. Non-operating revenues from federal, state and local capital grants totaled $3,708,250 as compared to $2,628,237 from the prior year. The increase is due to purchase of rolling stock and construction of a new operations facility.

Capital Assets

A summary of capital assets for the year is as follows:

	2025	2024
NON-DEPRECIABLE CAPITAL ASSETS		
Land	$ 211,780	$ 211,780
Construction in progress	-	927,594
TOTAL NON-DEPRECIABLE CAPITAL ASSETS	211,780	1,139,374
DEPRECIABLE CAPITAL ASSETS		
Buildings	5,699,194	1,912,742
Leasehold improvements	200,734	200,734
Equipment	556,142	565,383
Vehicles	3,962,665	3,535,248
TOTAL DEPRECIABLE CAPITAL ASSETS	10,418,735	6,214,107
TOTAL CAPITAL ASSETS	$ 10,630,515	$ 7,353,481

TAPS' capital assets of $10,630,515, at the end of 2025, consisted of vehicles in the amount of $3,962,665. There was an increase of $3,786,452 in buildings due the completion of the new operations facility.

Depreciation expense totaled $917,575 as compared to $514,588 from the prior year.

Contacting TAPS Financial Management

This financial report is designed to provide our customers, funders and general public with a general overview of TAPS' accountability for the funds it receives. If you have questions about this report, or need additional financial information, please put in an open records request with the TAPS Board of Directors. Main office is 6104 Texoma Parkway, Sherman, TX 75090 or call (844) 603-6048.

TEXOMA AREA PARATRANSIT SYSTEM, INC.

STATEMENTS OF NET POSITION

September 30, 2025 and 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 329,688	$ 230,239
Accounts receivable	218	5,151
Prepaid expenses	23,355	22,677
Due from other governments	1,044,511	1,023,385
TOTAL CURRENT ASSETS	1,397,772	1,281,452
RESTRICTED ASSETS		
Cash	198,311	198,014
TOTAL RESTRICTED ASSETS	198,311	198,014
NONCURRENT ASSETS		
Capital assets, non-depreciable	211,780	1,139,374
Capital assets, net of depreciation	7,234,182	3,340,014
TOTAL NONCURRENT ASSETS	7,445,962	4,479,388
TOTAL ASSETS	$ 9,042,045	$ 5,958,854

LIABILITIES AND NET POSITION

	2025	2024
CURRENT LIABILITIES		
Accounts payable	$ 819,560	$ 549,528
Accrued liabilities	698,090	654,807
Unearned revenue	7,666	2,814
TOTAL CURRENT LIABILITIES	1,525,316	1,207,149
NONCURRENT LIABILITES		
Compensated absences	-	59,898
TOTAL LIABILITIES	1,525,316	1,267,047
NET POSITION		
Net investment in capital assets	7,445,962	4,479,388
Restricted	198,311	198,014
Unrestricted	(127,544)	14,405
TOTAL NET POSITION	7,516,729	4,691,807
TOTAL LIABILITIES AND NET POSITION	$ 9,042,045	$ 5,958,854

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

TEXOMA AREA PARATRANSIT SYSTEM, INC.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended September 30, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Federal direct financial assistance	$ 776,237	$ 779,760
State financial assistance	1,977,862	2,133,976
Fare revenue	48,277	49,028
Public contributions	216,790	224,118
In-kind contributions	16,200	16,200
Other income	1,040	474
TOTAL OPERATING REVENUES	3,036,406	3,203,556
OPERATING EXPENSES		
Vehicle expenses	195,145	183,525
Building maintenance	277	361
Professional services	37,159	-
Subcontractor expense	2,800,461	2,805,545
Travel	384	-
Supplies	1,105	264
Utilities	35,573	29,073
Insurance	24,800	22,901
Legal fees	3,342	-
In-kind expense	16,200	16,200
Advertising expense	110	3,038
Depreciation	917,575	514,588
Other operating costs	8,074	9,960
TOTAL OPERATING EXPENSES	4,040,205	3,585,455
OPERATING LOSS	(1,003,799)	(381,899)
NON-OPERATING REVENUES		
Debt forgiveness	59,898	-
Interest income	474	434
Gain on sale of assets	60,099	24,006
TOTAL NON-OPERATING REVENUES	120,471	24,440
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	(883,328)	(357,459)
Capital contributions	3,708,250	2,628,237
CHANGES IN NET POSITION	2,824,922	2,270,778
NET POSITION – BEGINNING OF YEAR	4,691,807	2,421,029
NET POSITION – END OF YEAR	$ 7,516,729	$ 4,691,807

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

TEXOMA AREA PARATRANSIT SYSTEM, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 275,891	$ 271,087
Federal and state financial assistance	2,732,973	2,492,539
Payments to suppliers	(2,793,792)	(3,027,948)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	215,072	(264,322)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds on sale of vehicles	72,508	33,885
Capital grants	3,708,250	2,628,237
Payments to acquire capital assets	(3,896,558)	(2,624,651)
Interest received	474	434
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(115,326)	37,905
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	99,746	(226,417)
CASH AND CASH EQUIVALENTS – BEGINNING (including $198,014 in restricted assets)	428,253	654,670
CASH AND CASH EQUIVALENTS – ENDING (including $198,311 in restricted assets)	$ 527,999	$ 428,253
RECONCILIATIONS OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating loss	$ (1,003,799)	$ (381,899)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	917,575	514,588
Decrease (Increase) in accounts receivable	4,933	(3,157)
(Increase) Decrease in prepaid expenses	(678)	(1,837)
(Increase) Decrease in due from other government	(21,126)	(421,197)
(Decrease) Increase in accounts payable	270,032	28,556
(Decrease) Increase in accrued liabilities	43,283	-
(Decrease) Increase in unearned revenue	4,852	624
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 215,072	$ (264,322)
SUPPLEMENTAL CASH FLOW INFORMATION:		
Non-cash contributions received in-kind	$ 16,200	$ 16,200
Compensated absences	59,898	-

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

TEXOMA AREA PARATRANSIT SYSTEM, INC.

NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended September 30, 2025 and 2024

ORGANIZATION

Texoma Area Paratransit System, Inc. ("TAPS") was incorporated on July 14, 1986 as a Texas nonprofit corporation. Its purpose is to provide coordinated transportation services to the public in several North Central Texas counties. Services are directed primarily toward meeting the needs of the elderly, handicapped and economically disadvantaged.

The Texas legislature enacted the Rural and Urban Transit Act in 1995 which created transit districts that can receive public transportation funds through the Texas Department of Transportation. TAPS meets the requirements of the Act, it operates as a Rural and Urban Transit District which means that TAPS is considered a Political Subdivision of State of Texas. Additionally, TAPS also holds 501(c)(3) status.

As a political subdivision, TAPS is distinct from, and is not an agency of, the State of Texas or any other local government unit. TAPS is not subject to federal, state, or local income taxes or sales taxes.

In March 2016, the TAPS Board of Directors entered into a 5-year Public Private Partnership with Transdev Services, Inc. to manage and directly operate the TAPS transit system. All employees are employed by Transdev Services, Inc. On November 18, 2020, TAPS' Board of Directors and Transdev Services, Inc. extended the term of the agreement an additional five years to February 28, 2026. In February 2026, TAPS Board of Directors entered into a 5-year Public Private Partnership with Transdev Services, Inc to manage and directly operate the TAPS transit system.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of TAPS have been prepared in conformity with generally accepted accounting principles 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. TAPS is reported as a stand-alone entity as defined by GASB Statement No. 14, as amended by GASB Statement No. 61, "The Financial Reporting Entity." TAPS is fiscally dependent on the federal and state governments for financial assistance. However, it does not provide specific financial benefits to or impose specific financial burdens on the governments. No other potential component units meet the criteria for inclusion in the financial statements of TAPS.

Basis of Accounting

TAPS operations are accounted for in a proprietary fund type - the enterprise fund. The proprietary fund type is accounted for using the flow of economic resources measurement focus.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Accounting - Continued

With this measurement focus all assets and liabilities associated with the operations are included on the statement of net position. Fund equity is segregated into contributed capital and net position. The operating statement presents increases (revenues) and decreases (expenses) in net total position.

TAPS operations are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges. The measurement focus emphasizes the determination of net income.

TAPS follows the accrual basis of accounting for its proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, TAPS may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Texas law and national banks having their principal offices in Texas.

Restricted Cash

Cash and cash equivalents that are restricted as to withdrawal or use under the terms of certain contractual agreements are recorded as restricted cash on the Statement of Net Position.

Restricted cash balances include cash from sales of capital assets originally purchased with federal or state funds that are required to be held for future capital use.

Capital Assets

TAPS defines capital assets as those with an individual cost of $5,000 or more and a useful life exceeding five years. They are included on the Statement of Net Position at cost, and are depreciated over their useful life, using the straight-line method. Donated capital assets are recorded at estimated fair market value at the date of donation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Capital Assets - Continued

All capital assets are depreciated using the straight-line method over the following useful lives.

Description	Estimated Lives
Building and improvements	40 years
Furniture, fixtures and equip	5-7 years
Vehicles	5-12 years

Leasehold improvements are depreciated over the applicable lease term.

Impairment of Capital Assets

Management evaluates its capital assets for financial impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated undiscounted future cash flows from the assets are less than the carrying value or fair value less cost to sell.

Revenue Recognition

Grants – Support received under grant contract agreements with various federal and state agencies are recorded as revenue when the costs are incurred. Grants receivable at September 30, 2025 and 2024 represents amounts due for expenses incurred prior to the respective fiscal year end.

Public contributions – Contributions received from the public, publicly traded corporations, intercounty agencies, and local governments are recognized as support when received and are reported as unrestricted net position.

Private contributions – Contributions received from private corporations are recognized as support when received and are reported as unrestricted net position.

In-kind contributions – represent the estimated fair value of contributed assets, facilities, fuel, equipment, and professional and administrative fees. Contributions of services are only recognized if the services received require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. The amount of in-kind contributions recognized in 2025 and 2024 was $16,200.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Income Taxes

TAPS operates under Section 501(c)(3) of the Internal Revenue Code and is generally exempt from federal, state and local income taxes. Accordingly, no provision for income taxes is included in the financial statements. TAPS recognizes the financial impact of a tax position when it is more likely than not that the position will be sustained upon examination. As of September 30, 2025, TAPS did not have any uncertain tax positions. Tax years ended September 30, 2024, 2023, 2022 remain subject to examination by taxing authorities.

Compensated Absences

TAPS employees earned vacation and sick leave beginning with the month following the probationary period. Accrued leave is based on eight hours per day for full-time employees working 40 hours per week and a pro-rata share for those working 30 or more hours per week. Sick leave was accrued at the rate of one day per month. Vacation leave was accrued annually based on length of service at rates ranging from 5 - 20 days. The maximum amount of vacation and sick leave that could be earned was 200 hours and 264 hours, respectively. Sick leave was not vested and unused hours were forfeited upon termination of service. Accumulated unused vacation was fully vested but was not fully paid upon termination of service. The liability is presented as noncurrent in the accompanying financial statements as management may not be able to pay this within the next year. All current employees are employed by Transdev Services, Inc.

Due to the expiration of the statute of limitations, compensated absences were removed from liabilities.

Net Position

In proprietary fund financial statements, equity is classified as net position and displayed in three components:

A. Net investment in capital assets - consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

B. Restricted net position - consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Net Position - Continued

C. Unrestricted net position - all other net assets that do not meet the definition of restricted or net invested in capital assets.

TAPS considers restricted net position to be spent for expenses first when both restricted and unrestricted resources are available.

Risk Management

TAPS is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. Management is of the opinion that any such losses would be covered by the existing insurance policies held by Transdev Services, Inc. on TAPS' behalf.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Commitments and Contingencies

TAPS receives a substantial amount of its support from federal and state grant programs, the funding of which is subject to the political process. Additionally, the programs are periodically audited for compliance by the granting agencies. The amount, if any, of expenditures which may be disallowed or repayments required by the granting agencies cannot be determined at this time.

During the period of TAPS financial difficulties, the agency was unable to regularly pay all its vendors and accumulated significant debt. As a result, numerous litigation cases are pending, some of which may ultimately result in settlements. In July 2025, TAPS received a garnishment in the amount of $43,283 related to an outstanding obligation originating prior to 2016. For the years ended September 30, 2025 and 2024 the estimated liabilities for these cases were $689,131 and $645,848, respectively, and are included in "accrued liabilities" on the Statement of Net Position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

New Pronouncements

During the year ended September 30, 2025, TAPS adopted GASB Statement No. 101 "Compensated Absences", which prescribes the accounting and financial reporting for compensated absences. The implementation of this GASB did not have an impact on TAPS' financial statements.

During the year ended September 30, 2025, TAPS adopted GASB Statement No. 102 "Certain Risk Disclosures" which requires governments to assess whether concentration or constraint makes the government report a liability for revenue debt vulnerable to the risk of a substantial impact. The implementation of this GASB did not have an impact on TAPS' financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, TAPS considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents up to $250,000.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, TAPS' deposits may not be returned to it. At September 30, 2025 and 2024, TAPS had $820,270 and $547,666 on deposit, of which $570,270 and $297,666, respectively, exceeded the federally insured limits of $250,000.

NOTE 3 - ACCOUNTS RECEIVABLE

TAPS believes that sufficient detail of receivable balances is provided in the notes to the financial statements to avoid the obscuring of significant components by aggregation.

Management has evaluated the necessity of providing for an allowance for doubtful accounts and has concluded that no such allowance is required for September 30, 2025.

NOTE 4 - DUE FROM OTHER GOVERNMENTS

The due from other governments represents the amount uncollected from state and federal financial assistance.

The following is a summary of federal and state financial assistance by contracting source:

NOTE 4 - DUE FROM OTHER GOVERNMENTS - continued

	September 30, 2025			
	Federal	State	Local	Total
Local Government Contributions	$ -	$ -	$ 23,228	$ 23,228
Federal Transit Administration	358,383	-	-	358,383
Texas Department of Transportation	587,542	75,358	-	662,900
Total due from other governments	$ 945,925	$ 75,358	$ 23,228	$ 1,044,511

	September 30, 2024			
	Federal	State	Local	Total
Local Government Contributions	$ -	$ -	$ 83,425	$ 83,425
Federal Transit Administration	581,006	-	-	581,006
Texas Department of Transportation	103,812	255,142	-	358,954
Total due from other governments	$ 684,818	$ 255,142	$ 83,425	$ 1,023,385

NOTE 5 - CAPITAL ASSETS

Capital assets consist of the following:

	September 30, 2025			
	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets, non-depreciable				
Land	$ 211,780	$ -	$ -	$ 211,780
Construction in progress	927,594	-	(927,594)	-
Total capital assets, non-depreciable	1,139,374	-	(927,594)	211,780
Capital assets, depreciable				
Buildings	1,912,739	3,786,455	-	5,699,194
Leasehold improvements	200,734	-	-	200,734
Equipment	565,383	202,049	(211,290)	556,142
Vehicles	3,535,251	835,648	(408,234)	3,962,665
Total capital assets, depreciable	6,214,107	4,824,152	(619,524)	10,418,735
Less Accumulated Depreciation	(2,874,093)	(917,575)	607,115	(3,184,553)
Total capital assets, depreciable, net	3,340,014	3,906,577	(12,409)	7,234,182
Capital assets, net	$ 4,479,388	$ 3,906,577	$ (940,003)	$ 7,445,962

NOTE 5 - CAPITAL ASSETS - continued

	September 30, 2024			
	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets, non-depreciable				
Land	$ 211,780	$ -	$ -	$ 211,780
Construction in progress	14,731	912,863	-	927,594
Total capital assets, non-depreciable	226,511	912,863	-	1,139,374
Capital assets, depreciable				
Buildings	1,830,196	82,543	-	1,912,739
Leasehold improvements	200,734	-	-	200,734
Equipment	565,383	-	-	565,383
Vehicles	2,423,568	1,629,245	(517,562)	3,535,251
Total capital assets, depreciable	5,019,881	1,711,788	(517,562)	6,214,107
Less Accumulated Depreciation	(2,867,188)	(514,588)	507,683	(2,874,093)
Total capital assets, depreciable, net	2,152,693	1,197,200	(9,879)	3,340,014
Capital assets, net	$ 2,379,204	$ 2,110,063	$ (9,879)	$ 4,479,388

Depreciation expense for the years ended September 30, 2025 and 2024, totaled $917,575 and $514,588, respectively. TAPS owns the maintenance building and related land which are used for its operations. At September 30, 2025 and 2024, TAPS had idle impaired rolling stock with carrying values of $0 for both years.

Liens assigned to the Texas Department of Transportation (TXDOT) have been placed on the title of all rolling stock purchases made using funds from TXDOT grants.

NOTE 6 - SUBSEQUENT EVENTS

TAPS has evaluated subsequent events through the date the financials were available to be issued, which corresponds with the date of the Independent Auditors' Report. Other than discussed in Note 1, no material subsequent events have occurred since September 30, 2025, that require recognition or disclosure in the financial statements.

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TEXOMA AREA PARATRANSIT SYSTEM, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended September 30, 2025

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing Number	Grant Award Number	State Award Number	Expenditures
FEDERAL AWARDS EXPENDED				
Federal Transit Cluster				
Federal Transit Administration:				
Urbanized Area Formula Program	20.507	TX-2017-076-00		$ 140,856
Urbanized Area Formula Program	20.507	TX-2023-024-00		181,373
Urbanized Area Formula Program	20.507	TX-2020-056-00		635,381
Covid-19 Urbanized Area Formula Program	20.507	TX-2025-003-00		615,258
Bus and Bus Facilities Program	20.526	TX-2021-075-00		5,782
				1,578,650
Federal Transit Administration passed Through Texas Dept of Transportation:				
Bus and Bus Facilities Program	20.526	TX-2023-014	DIS 2402 (26)	2,785,472
Bus and Bus Facilities Program	20.526	TX-2022-050	BBF 2303 (26)	29,162
Bus and Bus Facilities Program	20.526	TX-2024-097	BBF 2503 (26)	91,203
				2,905,837
Total Federal Transit Cluster				4,484,487
Federal Transit Administration passed Through Texas Dept of Transportation:				
Transit Services Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	TX-2022-049	ED 2503 (26)	99,189
Total Transit Services Programs Cluster				99,189
Federal Transit Administration passed Through Texas Dept of Transportation:				
Metropolitan Transportation Planning	20.505	TX-2023-060	PLN 2501 (26)	5,035
Metropolitan Transportation Planning	20.505	TX-2025-058	PLN 2601 (26)	1,107
Metropolitan Transportation Planning	20.505	TX-2025-058	REG 2502 (26)	9,021
				15,163
Formula Grants for Rural Areas	20.509	TX-2023-108	RPT 2403 (26)	133,902
Formula Grants for Rural Areas	20.509	TX-2024-076	RPT 2503 (26)	876,012
				1,009,914
Total Federal Awards Expended				5,608,753
STATE AWARDS EXPENDED				
State Rural Transportation Grant			RUR 2503 (33)	611,783
State Rural Transportation Grant			RUR 2603 (33)	75,358
State Urban Transportation Grant			URB 2502 (26)	165,654
Scholarships				801
Total State Awards Expended				853,596
Total Federal and State Awards Expended				$ 6,462,349

The accompanying notes are an integral part of this schedule.

TEXOMA AREA PARATRANSIT SYSTEM, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended September 30, 2025

Note 1. Summary of Significant Accounting Policies and Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all federal and state financial assistance programs of TAPS and is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Texas Single Audit Circular. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. De Minimus Cost Rate

During the year ended September 30, 2025, TAPS did not elect to use the de minimis cost rate as covered in Section 200.414 of the Uniform Guidance.

TEXOMA AREA PARATRANSIT SYSTEM, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2025

1. SUMMARY OF AUDITORS' RESULTS

   a. The type of report issued on the basic financial statements: Unmodified.

   b. Significant deficiencies in internal control were disclosed by the audit of the financial statements: None reported: Material weaknesses: None.

   c. Noncompliance which is material to the financial statements: No.

   d. Significant deficiencies in internal control over major program: None reported: Material weaknesses: None.

   e. The type of report issued on compliance for major program: Unmodified.

   f. Any audit findings which are required to be reported under Uniform Guidance: None.

   g. Major Programs Include:

Name of Federal Program	Assistance Listing Number
Federal Transit Administration Federal Transit Cluster	
Formula Grants for Urban Areas	20.507
Bus and Bus Facilities Program	20.526

   h. Dollar threshold used to distinguish between Type A and Type B major federal programs: $1,000,000.

   i. Auditee qualified as a low-risk auditee: Yes.

   j. A state single audit was not required for the year ended September 30, 2025. State awards received did not meet the $1,000,000 required threshold.

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS:
   None noted

3. FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS:
   None noted

TEXOMA AREA PARATRANSIT SYSTEM, INC.

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended September 30, 2025

1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS:
   None

2. FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AND STATE AWARDS:
   None

FINANCIAL P&P UPDATE

Texoma Area Paratransit System, Inc.

6104 Texoma Parkway, Sherman, TX. 75090
Call 844-603-6048 To Get A Ride!

RESOLUTION NO. 26-2010

A RESOLUTION OF THE BOARD OF DIRECTORS OF TEXOMA AREA PARATRANSIT SYSTEM, INC. (TAPS) ADOPTING THE REVISED FINANCIAL POLICIES AND PROCEDURES MANUAL

WHEREAS, Texoma Area Paratransit System, Inc. (TAPS) receives and administers federal and state funding and is required to maintain sound financial management systems and internal controls in accordance with applicable laws and regulations, including 2 CFR Part 200, Federal Transit Administration (FTA) requirements, and Texas Department of Transportation (TxDOT) grant agreements;

WHEREAS, the Board of Directors has a fiduciary responsibility to ensure the organization maintains appropriate financial controls, transparency, and compliance with all applicable regulatory requirements;

WHEREAS, the Financial Policies and Procedures Manual was originally adopted in November 2020 and has since undergone administrative review and a comprehensive revision to improve clarity, strengthen internal controls, and align with current GAAP, GASB, Uniform Guidance, FTA, and TxDOT requirements; and

WHEREAS, the revised Financial Policies and Procedures Manual dated January 2026 reflects current operational practices, clearly defines roles and responsibilities, and incorporates enhanced compliance, fraud prevention, grant management, and audit oversight provisions;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Texoma Area Paratransit System, Inc. hereby adopts the revised Financial Policies and Procedures Manual dated January 2026 as the official financial policies and procedures of the organization.

BE IT FURTHER RESOLVED that management is directed to implement the policies and procedures contained therein and to ensure the manual is reviewed at least annually and updated as necessary to reflect changes in operations, regulations, or best practices.

PASSED AND APPROVED on this the 11th day of February 2026 by the Texoma Area Paratransit System (TAPS) governing board.

____

TAPS Board Chair

Summary of Revisions to the Financial Policies and Procedures Manual

Final Revised Version: January 2026

The Financial Policies and Procedures Manual was comprehensively reviewed and updated to ensure continued compliance with current federal and state requirements, strengthen internal controls, and improve clarity and usability. The revisions do **not** represent a change in organizational mission or financial philosophy, but rather a modernization and formalization of existing practices.

Key Areas of Update

1. Regulatory Alignment and Compliance

- The manual was updated to explicitly align with **2 CFR Part 200 (Uniform Guidance), FTA Master Agreement requirements, TxDOT grant guidance, GAAP/GASB standards**, and **Single Audit requirements**.
- Outdated accounting references were removed and replaced with current regulatory citations.
- A formal **Compliance Crosswalk** was added to clearly demonstrate how policies meet federal and state requirements.

2. Strengthened Internal Controls

- Clear segregation of duties was documented across cash receipts, disbursements, fare revenue, payroll, journal entries, bank reconciliations, and system access.
- Explicit fraud-prevention language was added throughout the manual.
- A new **Fraud, Waste, and Abuse (FWA) Policy** was adopted as a standalone appendix, establishing reporting, non-retaliation protections, and investigation procedures.

3. Grant and Funding Oversight

- Grant application, approval, award management, cost allocation, and closeout procedures were clarified and standardized.
- Urban and Rural cost allocation methodology was formally documented, including requirements for FTA and TxDOT approval prior to any changes.
- SEFA preparation responsibilities and Single Audit thresholds were updated with correct Uniform Guidance citations.

4. Board Oversight and Governance

- Board responsibilities for budget approval, audit approval, debt authorization, and policy updates were clarified.
- A formal **budget amendment procedure** was added, requiring Board approval for material changes.
- Audit oversight procedures were expanded, including exit conferences and review of audit results.

5. Operational Clarity and Consistency

- Procedures were rewritten for consistency, improved flow, and audit readiness across all financial functions.
- Roles and responsibilities were clarified while preserving existing operational authority, including Transdev's contractual responsibilities.
- Asset management, record retention, computer access, and document disposal procedures were strengthened and aligned with federal standards.

6. Documentation and Review Enhancements

- A formal **revision history**, **annual review requirement**, and **manual maintenance process** were added.
- Appendices were expanded to include monitoring tools, audit references, Board resolutions, and triennial review support materials.

Overall Impact

These revisions:

- Strengthen fiduciary oversight and risk management
- Improve audit, FTA triennial review, and TxDOT monitoring outcomes
- Clearly document existing practices in a compliant, defensible manner
- Position TAPS for continued funding eligibility and regulatory confidence

The revised manual reflects best practices for public transit agencies and supports the Board's fiduciary responsibilities while maintaining operational flexibility.

TAPS PUBLIC TRANSIT

Financial Policies and Procedures

GOtaps
Everyone Rides.
PUBLIC TRANSIT

Updated
January 2026

TABLE OF CONTENTS

1.0 BACKGROUND INFORMATION

1.01 Purpose

Texoma Area Paratransit System, Inc. (TAPS) is a Texas nonprofit corporation recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code. TAPS operates on a fiscal year ending September 30 and exists to provide coordinated public transportation services to elderly individuals, persons with disabilities, economically disadvantaged individuals, and other eligible populations.

In accordance with IRS Code section 501(c)(3) TAPS is organized and operates exclusively for the exempt purpose as described in Form 1023, the application for exemption. In compliance with the restrictions on organizations qualifying under the 501(c)3 code:

- No part of the net earnings of the organization may inure to the benefit of any private shareholder or individual.
- No substantial part of the activities of the organization may consist of the carrying on of propaganda or of attempting to influence legislation (lobbying).
- The organization may not participate in, or intervene in, any political campaign on behalf of any candidate for public office.

The Texas legislature enacted the Rural and Urban Transit Act in 1995 which created transit districts that can receive public transportation funds through Texas Department of Transportation (TXDOT). Although TAPS meets the requirements of the Act, it operates as a nonprofit corporation but retains the option to elect to implement the Act and operate as a rural transit district by action of its Board of Directors. For financial purposes, however, the organization follows the governmental accounting guidelines.

The Financial Statements of TAPS are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

On March 8, 2016, TAPS entered into a five-year Public–Private Partnership Agreement with Transdev Services, Inc., under which Transdev manages and operates the transit system. The TAPS Board of Directors subsequently approved extensions of this agreement, with the current contract term ending February 28, 2026.

1.02 Service Area

The primary service area includes the counties of Grayson, Cooke, Fannin, Clay, Wise and Montague and the cities of Sherman and Denison.

The following manual is a description of the financial system and responsibilities for the Transdev Finance Department as representatives of TAPS.

2.00 ACCOUNTING PRINCIPLES & PROCEDURES

2.10 Policies

Accounting policies comply with GAAP, GASB standards, and **2 CFR Part 200**. Matters not specifically addressed herein follow authoritative guidance issued by GASB, FASB, and the AICPA.

Certain procedures resulting from these accounting pronouncements and releases are discussed below.

2.20 Procedures

2.21 Revenue Recognition

Revenues are recognized using the modified accrual basis of accounting in accordance with **2 CFR §200.302**. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related liability is incurred.

Contributions will be recorded as revenue in the period received or the period in which a pledge is received. Any receivable will be closely reviewed each month to determine whether the amount is still collectible and whether the balance of the receivable is adequately reserved with the allowance for doubtful accounts.

Grants will be recognized as revenue when the grant money is earned. This will generally be determined by the costs reportable to the grantor. Each restricted grant will be set up as a separate contract code to allow for accurate and consistent recording of the expenses of each grant.

In-Kind Contributions are those goods and services contributed by subcontractors, local governments and others. They are valued at cost to the contributor or fair market value and recorded as revenue when received. Offsetting charges of equal amounts are recorded as expenses to the appropriate grant department code.

2.22 Matching of Revenues and Expenses

Revenues and expenditures are recorded in the accounting period to which they relate to ensure accurate financial reporting.

To present accurate and consistent financial statements, the revenues and expenses attributable to each period will be reflected in that period to the degree possible. The sections on month and year end procedures will review this in greater detail. Generally, all entries required to accurately reflect the revenues and expenses of each period will be made in that period.

2.23 Fixed Assets and Depreciation

Assets exceeding capitalization thresholds are recorded and depreciated using the straight-line method in compliance with **2 CFR §§200.310–200.316**

The general capitalization policy is that all equipment and other fixed assets costing more than $5,000 will be recorded as an asset. To determine if a repair or improvement will need to be capitalized, the following additional factor needs to be considered: does the expenditure extend the useful life of the asset repaired or improved? For example, painting would not be capitalized, but replacing the boiler or repairing the roof would be capitalized, if the dollar value was more than $5,000.

All capital assets will be depreciated over their estimated useful lives, with depreciation charged beginning in the month that the asset is placed in service.

All capital assets purchased with grant or other restricted funds will be cataloged.

2.24 Donated Materials and Services

Donated assets and services are recorded when recognition is required under GAAP.

To comply with GASB Statement No. 33, certain services would be recorded as revenues and expenses. Such services would be those professional services which we would otherwise have paid for which were provided by a person whose work would normally include providing those services.

Any donated assets which would meet the definition to be capitalized, outlined in Section 2.23, will be recorded as revenue and as a fixed asset.

2.25 Data Cutoff

To meet the deadlines for producing reports discussed in Section 9 & 10, the gathering of information to use in making the month end entries must be cutoff by a certain date.

For the monthly financial statements, a cutoff of two weeks will be used. Any payables or other information not available by two weeks after a month end will be classified in the next period. The Finance Department may need to use estimates if final information is not available on a significant additional transaction.

For the year-end financial statements, a cutoff of four weeks will be used. Since the year end is the most important period cutoff, the general ledger will continue to be held open for additional material transactions through the conclusion of the financial audit fieldwork.

2.26 Indirect Costs

In accordance with OMB Uniform Guidance, 2 CFR 200, all expenses associated with the TAPS/Transdev agreement are allowable costs; therefore, TAPS currently treats all costs as direct costs. Indirect cost allocation will be evaluated periodically in accordance with **2 CFR §200.414**.

3.00 CASH DISBURSEMENTS

3.10 Policies

Cash disbursements require proper authorization, documentation, and segregation of duties in accordance with **2 CFR §200.303**.

The purpose of this procedure is to establish the activities to be followed in the process of disbursing cash. All checks must be pre-numbered and accounted for. Unused checks are to be in the custody of the General Manager. Checks are prepared only after supporting documents have been received and approved by the General Manager. Checks must be produced utilizing the Abila accounting system.

Invoices are reviewed, approved, and paid through the accounting system with dual signature controls. The TAPS Executive Board are authorized check signers.

The Finance Department will maintain the accounts payable system. Prior to payment, the Accounting Assistant will code each invoice, prepare the checks and organize the documentation. The General Manager will review for accuracy and approval of payment.

3.20 Procedures

3.21 Capital Acquisitions

TAPS follows the Board approved Procurement Policy for capital purchases. The most current policy was approved by the Board in January 2026.

3.22 Supplies, Services, and Other Invoices

Purchase requisitions may be initiated by any authorized staff member. All requisitions are submitted to the General Manager for review and approval. Once approved, the requisition is forwarded to the Accounting Assistant for order placement. Approved purchase requisitions are provided to the Finance Department and maintained in the open order file.

Upon receipt of goods or services, the Accounting Assistant retrieves the corresponding approved purchase requisition and verifies the items received against the packing slip and the requisition for accuracy and completeness. The packing slip is attached to the purchase requisition and returned to the open order file pending receipt of the vendor invoice.

Incoming mail is received and opened by the Administrative Assistant. All invoices are routed to the Accounting Assistant, who matches each invoice to the approved purchase requisition and packing slip and assigns the appropriate account coding. The Accounting Assistant submits the invoice and supporting documentation to the General Manager for approval to pay. The General Manager indicates approval by initialing the invoice. Once approved, the Accounting Assistant enters the invoice into the accounts payable module in Abila and retains all supporting documentation in the open invoice file until payment is issued.

3.23 Invoice Payment Procedures

Invoices are paid in accordance with established vendor terms. Prior to check generation, the Accounting Assistant prepares a pre-check report listing all outstanding payables, including due dates and amounts. The Accounting Assistant identifies invoices scheduled for payment, and the pre-check report is submitted to the General Manager for review and approval.

Upon approval of the pre-check report, checks are generated from the accounts payable module in Abila and attached to the corresponding approved supporting documentation from the open invoice file. The checks are then submitted to authorized Executive Board members for signature. Once signed, checks are sealed and mailed by the Accounting Assistant. Supporting documentation is retained by the Finance Department and filed alphabetically by vendor.

3.24 Petty Cash

Petty cash funds are established to provide a convenient means of paying minor, incidental expenses such as office supplies and postage, thereby reducing the need to issue checks for small-dollar purchases. Petty cash is maintained in a secure, locked location and is administered by the General Manager.

The General Manager authorizes and disburses petty cash for approved purposes and retains supporting documentation, such as receipts, for all expenditures. The Accounting Assistant performs a count and reconciliation of petty cash receipts to the general ledger no less than quarterly. The completed reconciliation is reviewed by the General Manager.

When petty cash funds require replenishment, the Accounting Assistant submits a written request to the General Manager for approval. Upon approval, the Accounting Assistant prepares a replenishment check through the accounting system. All petty cash replenishment checks require the signatures of two authorized Executive Board members.

At no time shall petty cash disbursements or cash on hand exceed **$300**.

4.00 CASH RECEIPTS

4.10 Policies

Cash receipts are processed promptly, deposited timely, and recorded accurately. The purpose of this policy is to establish the activities to be followed in the processing of cash receipts to be deposited in the bank.

4.20 Procedures

Incoming mail is received and opened by the Administrative Assistant. The Administrative Assistant separates any cash receipts from other correspondence and forwards them to the HR Coordinator, who immediately endorses all checks with the restrictive endorsement "For Deposit Only." Copies of all checks are retained and recorded in a daily cash receipts log, which is reviewed by the General Manager. Bank deposits are made no less than weekly.

In the absence of the Administrative Assistant or HR Coordinator, these duties are performed by the Operations Manager.

The Finance Department uses the check copies and receipts log to determine appropriate account coding and to record cash receipts in the Abila accounting system.

As a fraud prevention measure, no single individual is permitted to control the receipt, deposit, recording, and reconciliation of cash receipts, and all discrepancies or unusual items are promptly investigated and documented.

5.00 FARE REVENUE PROCEDURES

5.10 Policies

Fare revenue handling complies with **2 CFR §200.303** and FTA internal control expectations. Fare revenues are reconciled daily, deposited weekly, and reviewed monthly.

5.20 Procedures

TAPS drivers are responsible for the collection of fare revenues. At the conclusion of each shift, collected fares are reconciled and secured in an access-controlled environment. Fare deposits are made on a weekly basis.

1. Drivers begin each shift with an empty bank bag.
2. Drivers collect fares from passengers at the time of boarding.
3. At the end of each shift, drivers are required to reconcile collected fares to the daily manifest generated from the Ecolane system. A dispatcher, supervisor, or other designated individual counts the fares with the driver in a secured, camera-monitored room.
4. The Daily Manifest is signed by the individual verifying the fares collected and is retained with the fares in the money bag until the weekly deposit is completed. Dispatchers maintain an electronic record of fare collections and document explanations for any discrepancies between the amounts reflected on the manifest and the amounts collected. Fare bags are deposited through a mail slot into an access-controlled money box. Access to the money box is restricted to the General Manager and the HR Coordinator.
5. On a weekly basis, two designated individuals who do not have access to the TAPS general ledger review and count all fares collected for the week. The HR Coordinator prepares and makes the weekly bank deposit.

6. The Accounting Assistant reconciles the deposited fare amounts to the corresponding Ecolane manifests on a weekly basis and records the deposit in the TAPS accounting system.
7. TAPS operates three outlying offices with limited staffing. At these locations, drivers count their own fares and place the funds and fare slips into a sealed bag. These collections are retrieved weekly by a supervisor or other designated personnel and included in the weekly fare review and deposit process.
8. On a monthly basis, the Accounting Assistant performs a reconciliation of total fare deposits to Ecolane manifests. All discrepancies are documented for each transaction based on dispatcher notes. Monthly fare reconciliations are reviewed by the General Manager.

6.00 JOURNAL ENTRY PROCEDURES

6.10 Policies

All journal entries recorded in the general ledger are to be properly prepared, reviewed, approved and recorded in accordance with generally accepted accounting principles, and filed for future reference.

6.20 Procedures

All journal entries must be prepared and approved by separate individuals to ensure appropriate segregation of duties. Supporting documentation and a detailed written explanation of the purpose of each journal entry are required and must be retained in chronological order to provide a clear audit trail and support review.

7.00 PAYROLL PROCEDURES

7.10 Policies

TAPS does not currently process payroll. Payroll, if applicable in the future, shall comply with **2 CFR §§200.430–200.431**.

8.00 BANK RECONCILIATION

8.10 Policies

The purpose of this policy is to establish the procedures to be followed in performing the month end bank reconciliation. All bank accounts should be reconciled by the end of the month following the close of the preceding month per **2 CFR §200.302.**

The General Manager reviews the bank account daily for unusual items or changes.

8.20 Procedures

Bank statements are printed monthly by the General Manager, and the Accounting Assistant prepares the monthly bank reconciliation. The reconciliation compares the bank balance to the general ledger balance, and any items appearing on the bank statement that have not yet been recorded in the general ledger are identified and recorded through appropriate journal entries. Reconciling items may include interest earned, bank service charges, non-sufficient funds (NSF) items, direct deposits, and other debit or credit memos. All bank reconciliations and related journal entries are reviewed and approved by the General Manager.

The Finance Department does not have check-signing authority and does not have the ability to deposit or withdraw funds from the bank accounts.

Upon completion of the reconciliation, the bank statement, cancelled checks or electronic equivalents, reconciliation reports, and supporting documentation are retained in the bank reconciliation file. Bank reconciliations are reviewed by the General Manager and a designated Board Member.

9.00 END OF MONTH ACCOUNTING PROCEDURES

9.10 Policies

Monthly financial statements are prepared and reviewed prior to Board presentation.

The Board of Directors approves the financial statements at the quarterly Board meeting.

9.20 Procedures

The cutoff for information included in the monthly financial statements is two weeks following month-end. Upon completion of the monthly bank reconciliations, the Finance Department prepares the required month-end journal entries. These entries include both recurring entries that are consistent each month, such as depreciation and the amortization of prepaid expenses, and non-recurring entries that are specific to the reporting period. Non-recurring entries may include the recording of interest or dividend income, bank transfers, non-sufficient funds (NSF) items, bank charges, and receivables.

The General Manager maintains a monthly close file that includes supporting workpapers documenting the balances of each balance sheet account, as well as copies of grant billings. All balance sheet accounts are reconciled monthly to support the accuracy and completeness of financial statements provided to management and the Board of Directors.

Financial statements are presented to the Board of Directors at each Board meeting. In addition, the Accounting Assistant prepares a budget-to-actual expense report for inclusion in Board packets.

Year-end financial statements may be issued later than monthly statements to allow for additional year-end closing and audit-related procedures, as described in Section 10.00.

10.00 END OF YEAR ACCOUNTING PROCEDURES

10.10 Policies

Year-end financial reporting supports the annual financial audit and, when applicable, Single Audit requirements. The General Manager is responsible for preparing the year-end financial statements and coordinating all audit preparation activities, including working directly with the independent auditors throughout the audit process. The year-end financial statements are reviewed and approved by the Board of Directors. Upon completion of the fiscal year close, the Accounting Assistant arranges for the orderly transfer of records for the completed fiscal year to storage in accordance with record retention requirements.

10.20 Procedures

The cutoff for inclusion of transactions in the September financial statements is extended to four weeks following fiscal year-end. Upon completion of the September close, the General Manager prepares and reviews the preliminary year-end financial reports. The General Manager is also responsible for calculating recurring journal entries for the new fiscal year, with assistance from the external CPA firm as necessary.

10.21 Financial Audit

Following execution of the audit engagement letter by Transdev, the General Manager promptly contacts the independent auditors to initiate audit planning, scheduling, and coordination. The General Manager ensures that adequate workspace and resources are provided to support the auditors' on-site activities, including appropriate workspace, secure storage for records, and access to lighting and electrical outlets.

The Finance Department coordinates with the independent auditors to determine the required audit confirmations as soon as practicable following fiscal year-end. The Finance Department prepares the confirmations, which are reviewed and signed by the General Manager and subsequently transmitted to the independent auditors.

The Finance Department is responsible for preparing, to the extent practicable, the schedules and supporting documentation required for the audit. Completed September bank reconciliations and related workpapers partially satisfy these requirements.

Records made available for audit include, but are not limited to, the complete general ledger for the fiscal year, chart of accounts, bank statements and cancelled checks or electronic equivalents, paid invoices, cash receipts logs, Board meeting minutes for the audit period, grant agreements and supporting files, lease agreements, insurance policies, documentation supporting capitalized assets, and records related to donated services or assets reflected in the general ledger.

Throughout the audit process, the Finance Department remains available to assist the independent auditors and respond to requests for information. The General Manager schedules meetings with the auditors as necessary during the audit, and the Administrative Assistant provides additional support as delegated by the Finance Department.

Upon completion of the audit, the Finance Department and General Manager meet with the independent auditors to review audit results, discuss any issues identified, evaluate proposed audit adjustments, and identify opportunities for process improvement in subsequent fiscal years.

The audited financial statements are presented to the Board of Directors no later than February 15, following the close of the fiscal year. When applicable, the audited financial statements and Single Audit reporting package are submitted to the Federal Audit Clearinghouse and transmitted to TxDOT at **singleaudits@txdot.gov** no later than June 30 following fiscal year-end.

11.00 DEBT

11.10 Policies

Board approval is required for incurring any debt of TAPS other than operating trade payables. The General Manager will be authorized to negotiate such debt as needed by the Board of Directors.

Any loan covenants and restrictions will be reported to the Board when the debt is authorized. The Finance Department will periodically review these covenants and report to the General Manager if there are any violations or potential violations of the covenants.

11.20 Procedures

The General Manager and Board President or Treasurer will sign any debt agreements after receiving full Board approval.

The Finance Department will reconcile the general ledger debt balances to statements or amortization schedules each month. In addition, accrued interest will be recorded in the general ledger as needed.

12.00 INTERNAL CONTROLS AND FINANCIAL AUDIT

12.10 Policies

The Board of Directors fulfills its fiduciary responsibilities through oversight of internal controls and the annual independent financial audit. Internal controls related to accounting and financial reporting are established and maintained by the Finance Department in consultation with the General Manager.

In accordance with contractual arrangements, Transdev selects the independent public accounting firm to perform the year-end financial audit. The completed audit report is presented to the Board of Directors, which retains final authority to review and approve the audit. Internal controls are designed to comply with **2 CFR §200.303** and are reviewed annually to ensure continued effectiveness.

12.20 Procedures

Whenever there is a change in administrative personnel or a modification to the organizational or operating structure, the Finance Department and the General Manager jointly evaluate the internal control system to ensure it continues to meet the operational and compliance needs of TAPS. When appropriate, revisions resulting from this evaluation are incorporated into this accounting policies and procedures manual.

Key elements of TAPS' internal control structure include the separation of financial duties such that the Finance Department is not involved in receiving or handling cash or checks, signing checks, transferring funds, establishing bank accounts or investments, or receiving unopened bank statements. The Finance Department instead provides an independent review function by monitoring and reviewing transactions processed by other staff and reporting any identified issues to the General Manager or, when necessary, directly to the Board Treasurer or Board President.

The Board Treasurer attends the audit exit conference at the conclusion of the annual audit. The independent public accounting firm presents the audit results to the Board of Directors, which reviews and formally approves the audited financial statements.

The Finance Department and the General Manager are responsible for coordinating the annual audit, preparing documentation requested by the auditors, and responding to audit inquiries throughout the audit process.

13.00 COMPLIANCE

13.10 Policies

To maintain eligibility for government grants and restricted donations, TAPS maintains systems and controls designed to ensure compliance with all applicable grant and donor-imposed restrictions. The General Manager is designated as TAPS' Compliance Officer and is responsible for overseeing adherence to all grant and donor requirements.

The General Manager is responsible for communicating the nature and terms of all donor and grant restrictions to the Accounting Assistant. This information is used to ensure that restricted revenues are properly recorded in the general ledger and that expenditures of restricted funds are tracked, monitored, and applied in accordance with applicable restrictions.

13.20 Procedures

13.21 Compliance Committee

A compliance committee is chaired by the General Manager and includes the Accounting Assistant and primary program personnel. The General Manager is responsible for communicating and discussing new or revised compliance requirements associated with grants funding TAPS programs and ensuring that these requirements are implemented across applicable operations.

The General Manager prepares periodic reports documenting how TAPS ensures compliance with grant requirements for each grant program, as well as a comprehensive report addressing overall agency compliance procedures. These reports, along with any correspondence with granting agencies related to compliance matters, are maintained in a centralized compliance file.

The compliance committee also oversees the maintenance of grant files. Grant files include the fully executed grant agreements, all amendments or addenda, and related correspondence.

13.22 Restricted Donations

The Accounting Assistant maintains detailed records of all restricted donations within the accounting system to allow for the generation of periodic reports reflecting cumulative restricted contributions for the fiscal year. When a donor restriction has been satisfied, this status is documented accordingly. When appropriate, the General Manager communicates the satisfaction of donor restrictions to the donor.

On a monthly basis, the General Manager provides the Finance Department with documentation of new and outstanding restricted donations. The Finance Department prepares the necessary monthly journal entries to ensure that restricted donations and related activity are properly presented in the financial statements.

14.00 Allowable Costs for Federal Programs

14.10 Policies

The purpose of this procedure is to ensure that federal funds are expended only on allowable, reasonable, and allocable costs in accordance with **2 CFR Part 200, Subpart E – Cost Principles**, the specific terms and conditions of each federal award, and other applicable federal and state requirements.

In accordance with **2 CFR §200.403 (Factors Affecting Allowability of Costs)**, costs charged to a federal award must meet all of the following general criteria to be considered allowable:

Costs must be necessary and reasonable for the performance of the federal award and allocable to the award; conform to any limitations or exclusions set forth in federal regulations or the terms and conditions of the award; be consistent with policies and procedures that apply uniformly to both federally financed and non-federally financed activities; receive consistent treatment and not be charged as both a direct and indirect cost for the same purpose under like circumstances; be determined in accordance with generally accepted accounting principles (GAAP); not be used to meet cost-sharing or matching requirements of another federally funded program; be adequately documented; and be incurred during the approved budget period, unless otherwise authorized by the federal awarding agency in accordance with **2 CFR §200.308**.

Pursuant to **2 CFR §200.404 (Reasonable Costs)**, a cost is considered reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. Determinations of reasonableness consider whether the cost is ordinary and necessary for operations or performance of the federal award, consistent with sound business practices, compliant with applicable laws and regulations, reflective of market prices for comparable goods or services, and consistent with established organizational practices.

Under **2 CFR §200.405 (Allocable Costs)**, a cost is allocable to a federal award if the goods or services involved benefit the award in proportion to the relative benefits received. Costs may be allocated directly to a federal award if they are incurred specifically for that award, benefit both the award and other activities in reasonable proportions or are necessary to the overall operation of the organization and can be reasonably assigned in part to the award. Costs allocable to one federal award may not be charged to another federal award to overcome funding deficiencies or avoid award restrictions.

14.20 Procedures

The hierarchy to determine the allowability of a cost includes

14.21 Federal Award Terms and Conditions.

If the Federal Award Terms and Conditions does not explicitly state whether a particular cost is allowable or unallowable, then go to the next step.

14.22 Uniform Guidance.

An itemized listing of commonly incurred costs is provided in the table below. Determinations of whether a cost is allowable or unallowable must be made by reference to the applicable sections of **2 CFR Part 200, Subpart E – Cost Principles**, based on the nature of the cost and the specific terms and conditions of the federal award. Authoritative guidance for allowable cost determinations is available through the Electronic Code of Federal Regulations (eCFR).

§200.421	Advertising and public relations
§200.422	Advisory councils
§200.423	Alcoholic beverages
§200.424	Alumni/ae activities
§200.425	Audit services
§200.426	Bad debts
§200.427	Bonding costs
§200.428	Collections of improper payments
§200.429	Commencement and convocation costs
§200.430	Compensation – personal services
§200.431	Compensation – fringe benefits
§200.432	Conferences

§200.433	Contingency provisions
§200.434	Contributions and donations
§200.435	Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements
§200.436	Depreciation
§200.437	Employee health and welfare costs
§200.438	Entertainment costs
§200.439	Equipment and other capital expenditures
§200.440	Exchange rates
§200.441	Fines, penalties, damages and other settlements
§200.442	Fund raising and investment management costs
§200.443	Gains and losses on disposition of depreciable assets
§200.444	General costs of government
§200.445	Goods or services for personal use
§200.446	Idle facilities and idle capacity
§200.447	Insurance and indemnification
§200.448	Intellectual property
§200.449	Interest
§200.450	Lobbying
§200.451	Losses on other awards or contracts
§200.452	Maintenance and repair costs
§200.453	Materials and supplies costs, including costs of computing devices
§200.454	Memberships, subscriptions, and professional activity costs
§200.455	Organization costs
§200.456	Participant support costs
§200.457	Plant and security costs
§200.458	Pre-award costs
§200.459	Professional service costs
§200.460	Proposal costs
§200.461	Publication and printing costs
§200.462	Rearrangement and reconversion costs
§200.463	Recruiting costs
§200.464	Relocation costs of employees
§200.465	Rental costs of real property and equipment
§200.466	Scholarships and student aid costs
§200.467	Selling and marketing costs
§200.468	Specialized service facilities
§200.469	Student activity costs
§200.470	Taxes (including Value Added Tax)
§200.471	Termination costs
§200.472	Training and education costs
§200.473	Transportation costs
§200.474	Travel costs
§200.475	Trustees

15.00 BUDGETING

15.10 Policies

The General Manager provides overall direction for the budget development process and presents the annual operating budget to the Board of Directors for review and approval. The proposed budget is prepared collaboratively by the General Manager and the Finance Department on an annual basis and is subject to formal approval by the Board of Directors.

15.20 Procedures

The annual budgeting process begins in June for the subsequent fiscal year, allowing approximately eight months of actual financial results to be considered in budget development. All budget input and supporting documentation are submitted to the Finance Department no later than June 30 for consolidation into a comprehensive agency-wide budget. The General Manager and Finance Department review the consolidated budget to identify any areas requiring adjustment or further analysis. The proposed budget is presented to the Board of Directors by August 15 for review and feedback.

Responsibility for preparation of budget components is assigned as follows: the General Manager is responsible for program revenues, donation revenues, operating expenses, and the capital budget; the Finance Department is responsible for accounting-related expenses and preparation of the projected balance sheet; and the Board Treasurer is responsible for Board and committee-related expenses.

Upon approval by the Board of Directors, the adopted budget remains in effect for the fiscal year and is not modified except through formal Board action.

Budget Amendments

Once approved, the operating budget remains in effect for the fiscal year. Budget amendments may be proposed when material changes occur, including but not limited to new or amended grant awards, significant changes in revenues or expenditures, or unforeseen operational needs. All proposed budget amendments are prepared by the General Manager in coordination with the Finance Department and must be presented to the Board of Directors for review and approval prior to implementation. Approved budget amendments are documented and retained with the official budget records.

16.00 COMPUTER ACCESS AND BACKUP

16.10 Policies

The accounting system is cloud-based and access is controlled through unique user passwords. The General Manager maintains control over the system's master access credentials and authorizes user access based on job responsibilities. System access permissions are reviewed at least annually to ensure appropriateness and security.

16.20 Procedures

16.21 Passwords

The General Manager will maintain a record of all authorized users and the level of password access each user has. Passwords will be changed once each year in October.

17.00 ACCESS TO RECORDS AND RECORD RETENTION

17.10 Policies

TAPS records are generally subject to public inspection in accordance with applicable IRS requirements, public information laws, and the organization's commitment to transparency and public service. Certain records, however, contain confidential or sensitive information and are not subject to public disclosure. Release of such information requires approval by the General Manager. Any questions regarding the applicability of public disclosure requirements are resolved by the General Manager, who may consult legal counsel when necessary.

Records are retained in accordance with applicable laws, statutes of limitation, operational needs, and **2 CFR §200.333**. Certain records are maintained permanently, while others are retained for specified periods based on regulatory and administrative requirements

17.20 Procedures

17.21 IRS Forms

In accordance with IRS public disclosure requirements, TAPS makes its exempt organization information returns (IRS Forms 990 and 990-EZ, as applicable) available for public inspection upon request. All required pages, schedules, and attachments must be made available, with the exception of contributor names and addresses. Copies of the organization's Forms 990 for the three most recent fiscal years are available for free inspection at the TAPS office. Copies may be provided immediately or mailed to the requestor upon request.

TAPS also makes its application for tax-exempt status (IRS Form 1023) and the related IRS determination letter available for public inspection upon request. These documents are available for free review at the TAPS office, and copies may be provided in accordance with applicable copying charges. Public disclosure requirements are governed by IRS regulations and the instructions to Form 990.

17.22 Personnel Records

All requests for personnel records, job references and credit inquiries will be referred to the General Manager.

17.23 Financial Information

Financial statements and other financial information is regularly distributed to the Board. This information is not to be made available to persons who are not regularly authorized to receive that particular report. Any such requests for information must be approved by the General Manager.

17.24 Records Retention

A records retention schedule is provided below, and all disposal of records must be conducted in accordance with this schedule. Prior to the destruction of any records, approval must be obtained from both the General Manager and the Finance Department to confirm that no legal, audit, regulatory, or operational reason exists to retain the records beyond the scheduled retention period. All records approved for disposal must be securely destroyed through shredding or an approved document-recycling service.

For tax purposes, records are generally retained until the expiration of the applicable statute of limitations, which typically occurs three years after the later of the tax return due date or the date the return is filed. Although certain exceptions may require longer retention, the three-year period is ordinarily sufficient unless otherwise indicated.

For non-tax purposes, records are retained only as long as they serve a valid business, legal, or regulatory purpose. Because retention requirements vary by record type, management considers multiple factors when determining appropriate retention periods, including applicable federal, state, and local laws and regulations; industry standards; potential or pending claims or litigation; and contractual requirements.

RECORD RETENTION SCHEDULE
Type of Retention Period Record (Years)

Accident reports & claims 7*
Appraisals .... P
Articles of incorporation, by laws .... P
Assets records 7*
Bank statements, reconciliations 4
Bills of sale-assets ... 7*
Budgets & projections 2
Cancelled checks – general 4**
Capital stock & bond records .... P
Charts of accounts ... P
Check vouchers, stubs 4
Contracts & agreements 7*
Correspondence
  Credit and collection 7
  Routine with customers or vendors 1
  Other 4***
Credit memos 4

Damage and theft reports 7
Deeds .... P
Deposit slips 4
Depreciation schedules... 7*
Employee records
  Contracts 7*
  Disability, unemployment claims 7
  Employment applications 4
  Expense reports..... 4
  Personnel files 7*
  Time reports, earnings records 4
  Withholding & exemption
    certificates (W-2, W-4, etc.)... 4*
Financial reports
  Annual, audited...... P
  Interim 4
Freight bills, bills of lading 4
Insurance policies & records 4
Internal reports, memos, work
 orders, etc.............. 2
Inventory records 4
Invoices
  Fixed assets 7
  Sales & general expenses 4
Leases...................7*
Ledgers & journals
  Cash receipts & disbursements .... P
  General ledger, journal entries.. P
  Payroll journal.......4
  Purchases & sales 7
  Subsidiary ledgers (receivables,
    payables, etc.) 7
Licenses 4*
Minute books ....P
Mortgages..............7*
Notes 7*
Pension & profit sharing records .... P
Petty cash records ..4
Purchase orders, invoices... 4
Receiving reports....4
Repair & maintenance records.. 4
Sales records & cash register tapes4
Shipping reports......4
Tax returns and related records
  Income.................P
  Payroll 4
  Sales and use.......4
Union contracts.......P

P means records should be kept permanently

* Retention period begins with settlement of claims, disposal of asset, termination of contract, etc.

** Some should be kept longer, e.g. checks for tax payments should be kept with the tax returns, checks for asset acquisitions should be kept with bill of sale, etc.

*** Legal and important correspondence should be kept as long as the documents to which they relate.

Additional Federal Transit Administration (FTA) Record Retention Requirements

In accordance with **2 CFR §200.333**, financial records, supporting documentation, statistical records, and all other records pertinent to a federal award must generally be retained for a period of **three years** from the date of submission of the final expenditure report. For federal awards that are renewed quarterly or annually, the retention period begins on the date the applicable quarterly or annual financial report is submitted to the federal awarding agency or pass-through entity.

The three-year retention requirement is subject to the following exceptions:

- If litigation, claims, or an audit are initiated before the expiration of the retention period, records must be retained until all related matters are fully resolved and final action has been taken.
- If the federal awarding agency, pass-through entity, cognizant audit agency, or cognizant indirect cost agency provides written notification extending the retention period, records must be retained for the extended period specified.
- Records related to real property or equipment acquired with federal funds must be retained for **three years after final disposition** of the property.
- If records are transferred to or maintained by the federal awarding agency or pass-through entity, the retention requirement no longer applies to the non-federal entity.
- When program income is required to be reported after the period of performance, records supporting the earning of program income must be retained for three years from the end of the fiscal year in which the income is earned.
- Records supporting indirect cost rate proposals, cost allocation plans, and similar accounting methodologies must be retained in accordance with **2 CFR §200.333(f)**. When such proposals are submitted for negotiation, the retention period begins on the date of submission. When not submitted for negotiation, the retention period begins at the end of the fiscal year covered by the proposal or plan.

18.00 MAINTENANCE OF ACCOUNTING POLICIES AND PROCEDURES MANUAL

18.10 Policies

This Accounting Policies and Procedures Manual is a critical component of TAPS' financial management and internal control framework. The Finance Department is responsible for maintaining the manual and coordinating updates.

All proposed revisions to the manual must be reviewed and approved by the General Manager and the Board of Directors prior to implementation. Each approved revision is dated and documented. The manual is reviewed at least annually and updated as necessary to reflect changes in operations, regulations, or best practices.

18.20 Procedures

Each year, the Finance Department conducts a review of the Accounting Policies and Procedures Manual and develops any proposed revisions. This annual review is completed no later than September. All proposed changes must be approved in writing by the General Manager. If no revisions are recommended, the Finance Department prepares a memorandum documenting that determination, which must also be approved by the General Manager.

Whenever changes are made to accounting procedures during the year, the Finance Department evaluates whether corresponding revisions to the manual are required. Minor changes that are not immediately incorporated into the manual are documented and retained on file for inclusion in the next formal annual update.

Upon approval, the revised manual is distributed to the Finance Department, the General Manager, and the Board Treasurer.

19. PROPERTY AND EQUIPMENT INVENTORY

19.10 Policies

Capital assets are inventoried on an annual basis in accordance with **2 CFR §§200.310–200.316**. TAPS maintains a comprehensive inventory of all property and equipment, including sufficient descriptive and valuation information to meet insurance, grant compliance, and reporting requirements.

19.20 Procedures

Capital assets are inventoried on an annual basis in accordance with **2 CFR §§200.310–200.316**. The Finance Department maintains a centralized property and equipment database for all assets owned by TAPS. The database includes, at a minimum, asset tag number, description, serial number, acquisition date, acquisition cost, vendor, physical location, and applicable grant funding source and percentage.

All equipment is affixed with a unique asset tag for identification and tracking purposes.

Prior to the sale, transfer, or disposition of any property or equipment, the property and equipment database is reviewed to determine whether any restrictions apply. Equipment acquired with grant funds generally may not be sold or otherwise disposed of without prior approval from the applicable granting agency.

A physical inventory is performed and documented annually by the Accounting Assistant with assistance from the General Manager.

20.00 GRANT APPLICATION AND MANAGEMENT PROCESS

20.10 Policies

As a recipient of federal and state transit funding, TAPS is responsible for the administration and management of grant programs in compliance with applicable Federal Transit Administration (FTA) Master Agreements, FTA Circulars and regulations, Texas Department of Transportation (TxDOT) Master Grant Agreements, and other applicable federal and state requirements. On an annual basis, TAPS submits Board-approved Certifications and Assurances demonstrating its ability and commitment to comply with all applicable federal requirements.

TAPS submits a cost allocation between Urban and Rural programs to TxDOT on a monthly basis in conjunction with the Request for Reimbursement (RFR). The current basis for this allocation is ridership data calculated using information obtained from the Ecolane system. Any proposed change to the allocation methodology must receive prior approval from both FTA and TxDOT before implementation. Grant administration activities are conducted in accordance with FTA and TxDOT requirements.

20.20 Procedures

20.21 Identifying Funding Opportunities

Grant opportunity research is conducted by executive management and designated grants management staff. Grants management staff perform ongoing monitoring of federal and state funding announcements and registers to identify grant opportunities that may be applicable to TAPS. Grant notification tools, such as Grants.gov, are routinely used to receive automated alerts regarding new grant opportunities, program updates, and to access searchable grant databases. During the grant research phase, specific grant requirements—including reporting timelines, compliance obligations, and matching fund requirements—are evaluated to ensure that TAPS has the operational and administrative capacity to effectively manage the grant.

20.22 Grant Application

Grant applications may be prepared by executive management, grants management staff, or a combination of both, depending on the specific grant program, funding agency requirements, and staff capacity. Electronic grant systems, including the Federal Transit Administration's Transit Award Management System (TrAMS) and the Texas Department of Transportation's Integrated Grant Management System (IGX), are used for the submission, review, approval, and ongoing management of most grants. Certain grants administered by other agencies may require submission through alternative electronic platforms or hard-copy formats, as specified by the applicable grant guidelines.

Grant applications generally include required project descriptions, budget information, project milestones, environmental determinations, and fleet or asset status data, as applicable. Care is taken to ensure that all information submitted is complete, accurate, and clearly presented to support the granting agency's review process. The Finance Department reviews the financial components of each grant application to confirm the organization's ability to meet financial commitments and compliance requirements.

Each grant program includes specific instructions governing application preparation and grant implementation. Upon completion, applications are submitted to TxDOT, FTA, or other applicable granting agencies for preliminary review. Any comments or requested revisions are addressed promptly, and TAPS continues coordination with the sponsoring agency until the application is deemed complete and ready for approval.

Grant and budget information related to proposed awards is presented to the TAPS Board of Directors for authorization.

20.23 Grant Award and Execution

TAPS is notified of grant approvals by the Federal Transit Administration (FTA), the Texas Department of Transportation (TxDOT), or other applicable funding agencies. Grant approval status is also monitored through the FTA Transit Award Management System (TrAMS) and TxDOT's Integrated Grant Management System (IGX). Upon notification, TAPS staff reviews the approved project budget, award documentation, and any special conditions or approval requirements. Any necessary clarifications, amendments, or budget revisions are addressed prior to execution of the grant agreement. Grant agreements are executed electronically to formally activate the award.

Following award execution, the General Manager reviews key grant requirements, including the grant start and end dates, approved scope of work, project timelines, documentation and recordkeeping requirements, internal and external reporting obligations and deadlines, coordination of responsibilities with assigned staff, and expected project outcomes.

20.24 Financial Management System

TAPS is committed to maintaining effective control over grants, property, capital and other assets to ensure that these resources are used properly for their authorized purposes. This is done through sound financial management procedures that follow federal and state regulations.

Abila MIP Fund Accounting is TAPS' current financial management system, which is used for accounts payable, accounting, budgeting and other financial management tasks. TAPS will review options as necessary. TRAMS and the Electronic Clearing House Operation System (ECHO) are federal grant management and payment reimbursement systems, respectively. IGX is TXDOT's grant management system. Some financial management activities, such as fixed asset inventory and depreciation, are currently strictly paper-based. TXDOT, FTA and other applicable guidelines are used to determine allowable costs.

20.25 Reporting

Required reports are submitted in a timely manner. Grants management staff works with general management to obtain current status reports. The most common reports are Milestone Progress Reports (MPR), Federal Financial Reports (FFR) and National Transit Database (NTD).

Report Due Dates: FFR and MPR reports are due to FTA within 30 days after the end of each fiscal year, i.e., by October 30. The NTD report is due annually by January 31.

20.25.10 Milestone Progress Reports (MPR)

MPRs are submitted for each active FTA grant. These reports include developments in reaching goals of the grant, schedule, control, and execution of activities und the grant, and program requirements. At a minimum, each MPR includes the following data:

1. Address each activity line item within the approved grant unless FTA advises otherwise.
2. Include a discussion of all budget or schedule changes.
3. For each milestone, include original estimated completion date, revised estimated completion date, and the actual completion date if applicable.
4. Provide the dates of expected or actual requests for bid, delivery, etc.
5. Provide a narrative description of projects, status, specification preparation, bid solicitation, resolution of protests, and contract awards.
6. Analyze significant project cost variances. Completion and acceptance of equipment and construction or other work should be discussed, together with a breakout of the costs incurred and those costs required to complete the project. Use quantitative measures, such as hours worked, sections completed or units delivered.
7. Include reasons why any scheduled milestones or completion dates were not met, identifying problem areas and discussing how the problems will be solved. Discuss the expected impacts of delays and the steps planned to minimize these impacts.
8. Provide a list of all outstanding claims exceeding $100,000, and all claims settled during the reporting period. This list

should be accompanied by a brief description, estimated costs, and the reasons for the claims.

9. Include a list of all change orders and amounts exceeding $100,000, pending or settled, during the reporting period. This list should be accompanied by a brief description.

20.25.20 Federal Financial Reports (FFR)

FFRs are submitted with MPRs for each active grant. These reports should include accurate, current, financial information based on documentation maintained in TRAMS, ECHO and Abila. Revenue and Expenditures during the quarter are to be included.

20.25.21 National Transit Database (NTD)

TAPS is required to provide a summary of transit characteristics to include financial and operating statistics on an annual basis. The data is collected as follows:

1. Service data is gathered by the General Manager using Ecolane.
2. Financial data is gathered by the Finance Manager using the Abila (MIP) accounting program.
3. Asset and Resource data is gathered by the General Manager and the Maintenance Manager using Ecolane and RTA.

20.26 Grant Modifications

If a grant modification is necessary, a budget revision, administrative agreement or grant amendment is implemented. The FTA, TXDOT, or other agency should be contacted for instructions on which type of modification is appropriate and directions on how to proceed.

A budget revision must be made in TRAMS. Budget revisions may be made if there is no change in the grantee purpose, scope codes, and federal funding of the grant, regardless of the fiscal year the funds were appropriated. Budget revisions must be consistent with the activities contained in an approved Transportation Improvement Plan (TIP) and Statewide Transportation Improvement Program (STIP) and satisfy applicable National Environmental Policy Act (NEPA) requirements. Useful life of new activities must be addressed in the budget revision, as applicable.

20.27 Grant Reconciliation

The grants management staff performs monthly reconciliations of expenditures and obligations from the financial system (Abila). All grants with a negative cash balance will be reviewed for possible advance payments or miscoding. Any grant with a negative cash balance will not be drawn on until the cash balance is corrected by properly coding expenses or using the advance payment for approved expenses. The reconciliations are used to determine if budget revisions and/or reprogramming of projects are needed and to provide information to management.

20.28 Echo Drawdowns

Grants management staff will prepare documentation for Echo Drawdowns to include the following:

1. Completed Echo Payment Request Form (see form below)
2. Copies of invoices that support the amount of the draw request.
3. Evidence that invoices have been reviewed, approved and paid prior to drawdown request. NOTE: FTA does allow grantees to pay invoices within 3 days of receipt of payment through the ECHO system, but TAPS' current policy is to request drawdowns on a reimbursement basis only. Unless the funds are not available in the TAPS bank account.
4. Copies of personnel costs that support the amount of the draw request such as payroll records. Evidence that costs are eligible for the grant and have been incurred prior to drawdown requests.
5. Evidence that costs are for the period covered by the project.
6. Supporting calculation for draw amounts to demonstrate that only the appropriate federal share in relation to the total project cost is being requested in the drawdown.
7. Supporting calculation to demonstrate that the amount in the approved grant line item has not been exceeded.
8. Supporting calculation to determine the split between urban and rural until a permanent allocation is determined.
9. Documentation of funds received with date.

Copies of the above will be kept in a file per grant per fiscal year. The completed Request Form and all documentation will be sent to general management and the board for approval. The General Manager will submit the drawdown in ECHO.

The General Manager will monitor the TAPS bank account for the funds and will immediately code them to the correct grant and record them in the financial system (Abila).

20.29 TXDOT Requests for Reimbursement (RFR)

After each grant reconciliation, grants management staff will prepare documentation for RFRs to include the following:

1. Completed Request Form.
2. Copies of invoices that support the amount of the draw request.
3. Evidence that invoices have been reviewed, approved and paid prior to drawdown request.
4. Copies of personnel costs that support the amount of the draw request such as payroll records. Evidence that costs are eligible for the grant and have been incurred prior to drawdown requests.
5. Evidence that costs are for the period covered by the project.

6. Supporting calculation for draw amounts to demonstrate that only the appropriate federal share in relation to the total project cost is being requested in the drawdown.
7. Supporting calculation to demonstrate that the amount in the approved grant line item has not been exceeded.
8. Supporting calculation to determine the split between urban and rural until a permanent allocation is determined.
9. Documentation of funds received with date.

Copies of the above will be kept in a file per grant per fiscal year. The completed Request Form and all documentation will be sent to general management and the board for approval.
The grants/finance management team will watch the TAPS bank account for the funds and will immediately code them to the correct grant and record them in the financial system (Abila).

20.30 Grant Closeout

The grant close-out process should begin at least 120 days prior to completion of all grant activities and funding is expended. To close out grants as quickly as possible, grants management staff reviews each grant and determines the most efficient way to spend the oldest funds. In addition, a detailed grant summary is provided monthly to general management.

TAPS will submit the following documentation in TRAMS or IGX within 90 days following the completion of grant activities:

1. A final budget reflecting actual project costs by scope and activity;
2. A final FFR;
3. A final MPR indicating the actual completion date and a list of property purchased under the grant.
4. A request to de-obligate any unexpended balance of federal funds; and
5. Any other reports required as part of the terms and conditions of the grant.

20.31 Additional Information to be reported

TAPS must notify the FTA and/or TXDOT of any event that may have a significant impact upon the grant. Such events would include but are not limited to:

1. Problems, delays or adverse conditions that may materially impair the ability to meet the objective of the grant award, such as, delayed vehicle shipments and natural disasters.
2. Favorable developments that may reduce the time it takes to implement the grant or enable the grant to be implemented at a lower project cost, such as, reduced vehicle pricing or improved maintenance procedures.
3. Property (acquired through federal or state funds) is removed from the service originally intended at grant approval or if the property is put to additional or substitute uses.
4. Equipment (acquired through federal or state funds) is removed from service before the end of its useful life, removal requires FTA or TXDOT approval.

5. If TAPS becomes aware after the award of a contract that an excluded party is participating in a covered transaction.
6. Any change in local law that may significantly affect the ability to carry out a project.
7. Spare Ratio Computation on which the grant application is based is significantly altered before the grant is awarded.

21.0 LOCAL MATCHING FUNDS

21.10 Policies

Local match funding requirements and percentages can vary. Transportation Development Credits (TDCs) when awarded, public donations and other local funds may all be used alone or in combination to meet federal match requirements. In-kind contributions may be eligible as match with FTA's approval.

Farebox revenue cannot be used as local match for FTA-funded projects.

21.20 Procedures

The required matching funds will be transferred in the accounting system to the projects as required monthly by the Accounting Assistant. TAPS' intent is to provide local match with each request for reimbursement for federal funds and have a full accounting of local match at the end of the project grant agreement.

22.0 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)

22.10 PURPOSE

The Schedule of Expenditures of Federal Awards (SEFA) is supplemental information to the basic financial statements and is a critical component in planning and performing the annual audit. The SEFA provides assurance to federal and pass-through agencies that all applicable federal programs and awards have been properly identified and included in the audit. The SEFA is prepared using the same basis of accounting as the financial statements.

In accordance with **2 CFR §200.501** and **2 CFR §200.510**, preparation of the SEFA is required when federal expenditures meet or exceed the Single Audit threshold. Auditee responsibilities related to the preparation, presentation, and accuracy of the SEFA are defined in **2 CFR §200.508(b)**.

22.20 PROCEDURES

Step 1: Identify Federal, State, and Local Awards

Throughout the fiscal year, a grant tracking spreadsheet is maintained to monitor all grants and related expenditures. This spreadsheet includes all federal, state, and local awards, along with beginning balances, expiration dates, and year-to-date expenditures. When questions arise regarding award activity or balances, grant information should be verified using TxDOT's IGX system or FTA's TrAMS.

Step 2: Reconcile Bank Activity to Grant Expenditures

A reconciliation of bank activity to grant expenditures is completed prior to preparing the SEFA to identify errors, timing differences, or required accruals.
a. Bank statements for the entire fiscal year are printed, and all FTA and TxDOT-related transactions are identified and summarized by month.
b. Transactions accrued in the prior fiscal year are identified and noted.
c. All grants and related expenditures are listed on the "State" and "FTA" tabs of the reconciliation, using information from the grant tracking spreadsheet.
d. Amounts not yet received in the bank are identified as current-year accruals.
e. Totals from the reconciliation are verified to agree with bank transaction summaries and with state and federal revenue balances reflected in the trial balance.
f. The totals identified in the "SEFA" rows on the "State" and "FTA" tabs represent the amounts to be reported on the SEFA.

Step 3: Prepare the SEFA

The SEFA spreadsheet includes fields for the Federal Grantor or Pass-Through Grantor Program Title, Assistance Listing (formerly CFDA) Number, Federal Award Number, State Award Number, and expenditures.

1. Program titles are obtained from the Assistance Listings or the applicable grant agreements.
2. Assistance Listing numbers are obtained from the Assistance Listings or the grant agreements.
3. Federal Award Numbers for FTA and other federal pass-through awards are obtained from the grant agreements.
4. State Award Numbers for state and pass-through grants are obtained from the grant agreements.
5. Expenditure amounts are carried forward from the SEFA reconciliation spreadsheet.
6. Total federal and state expenditures reported on the SEFA must reconcile to the corresponding federal and state revenue amounts reported in the trial balance.

23.0 FRAUD, WASTE AND ABUSE (FWA) POLICY

23.10 PURPOSE

Texoma Area Paratransit System, Inc. (TAPS) is committed to the highest standards of ethical conduct, accountability, and transparency in the administration of public funds. This Fraud, Waste, and Abuse (FWA) Policy establishes expectations and procedures for preventing, detecting, reporting, and responding to fraud, waste, and abuse in accordance with **2 CFR §200.303**, the **Federal Transit Administration (FTA) Master Agreement**, and applicable TxDOT requirements.

Definitions

- **Fraud**: An intentional act of deception designed to secure an unlawful gain, including falsification of records, misrepresentation, theft, or embezzlement.
- **Waste**: The misuse or inefficient use of resources, including practices that result in unnecessary costs or poor value for money.

- **Abuse**: Practices that are inconsistent with sound fiscal, administrative, or business practices and that may not involve intent to deceive but result in excessive or improper use of resources.

23.21 PROCEDURES

TAPS maintains a zero-tolerance policy for fraud, waste, and abuse. All Board members, employees, contractors, consultants, and agents, including contracted service providers such as Transdev Services, Inc., are required to comply with this policy and applicable laws and regulations.

Prevention and Internal Controls

TAPS employs a system of internal controls designed to prevent and detect fraud, waste, and abuse, including but not limited to:

- Segregation of duties among authorization, custody, recording, and reconciliation functions;
- Management review and approval of financial transactions;
- Regular reconciliations and supervisory reviews;
- Board oversight of financial reporting and audits;
- Compliance with procurement, grant management, and record retention requirements under 2 CFR Part 200.

Reporting Suspected Fraud, Waste, or Abuse

Any individual who becomes aware of suspected fraud, waste, or abuse involving TAPS funds or operations is required to report the matter promptly. Reports may be made to:

- The General Manager;
- The Board Chair or Board Treasurer; or
- Through any other reporting mechanism established by TAPS.

Reports may be made confidentially and without fear of retaliation.

Non-Retaliation

TAPS strictly prohibits retaliation against any individual who, in good faith, reports suspected fraud, waste, or abuse or cooperates in an investigation. Any act of retaliation will be subject to disciplinary action, up to and including termination of employment or contract.

Investigation and Corrective Action

All reports of suspected fraud, waste, or abuse will be promptly reviewed and investigated by management and, when appropriate, the Board of Directors. TAPS will take appropriate corrective action, which may include disciplinary measures, contract remedies, restitution, referral to law enforcement, or notification to funding agencies such as FTA or TxDOT, as required.

Training and Awareness

TAPS will promote awareness of this policy through management communications and training, as appropriate, to ensure that personnel and contractors understand their responsibilities related to fraud, waste, and abuse prevention.

APPENDIX A – COMPLIANCE CROSSWALK

This crosswalk demonstrates how TAPS' Financial Policies and Procedures Manual addresses applicable federal, state, and audit requirements.

Federal Uniform Guidance (2 CFR Part 200)

Regulatory Citation	Requirement Summary	Manual Section(s) Addressing Compliance
2 CFR §200.302	Financial management systems	Sections 2.00, 8.00, 9.00, 10.00
2 CFR §200.303	Internal controls	Sections 3.00, 4.00, 5.00, 12.00, Section 23.00
2 CFR §§200.310–200.316	Property and equipment	Section 19.00
2 CFR §200.333	Record retention	Section 17.00
2 CFR §§200.403–200.475	Cost allowability	Section 14.00
2 CFR §200.306	Cost sharing / matching	Section 21.00
2 CFR §200.308	Budget revisions	Section 15.00 (Budget Amendments)
2 CFR §200.414	Indirect costs	Section 2.26
2 CFR §§200.430–200.431	Compensation and fringe benefits	Section 7.00
2 CFR §200.501	Single Audit threshold	Section 22.00
2 CFR §200.508(b)	Auditee responsibilities	Sections 10.00, 22.00
2 CFR §200.510	SEFA preparation	Section 22.00

Federal Transit Administration (FTA)

FTA Requirement	Description	Manual Section(s)
FTA Master Agreement	Federal grant compliance	Sections 12.00, 13.00, 20.00
Certifications & Assurances	Annual compliance	Section 20.00
Fare Revenue Controls	Cash handling and fare integrity	Section 5.00
TrAMS Grant Management	Grant application and monitoring	Section 20.00
Asset Management	Equipment tracking and disposition	Section 19.00
Fraud, Waste, and Abuse	Prevention and reporting	Section 23.00

Texas Department of Transportation (TxDOT)

TxDOT Requirement	Description	Manual Section(s)
TxDOT Master Grant Agreement	State grant compliance	Section 20.00
IGX Grant Management	State grant reporting	Section 20.00
Urban/Rural Cost Allocation	Monthly RFR support	Section 20.00
Local Match	Matching funds	Section 21.00
Single Audit Reporting	State submission	Sections 10.00, 22.00

Governance and Oversight

Area	Requirement	Manual Section(s)
Board Fiduciary Oversight	Financial approval and review	Sections 8.00, 10.00, 12.00, 15.00
Budget Approval	Board authorization	Section 15.00
Audit Oversight	Audit review and approval	Sections 10.00, 12.00
Policy Maintenance	Annual review and approval	Section 18.00

Fraud, Waste, and Abuse

Requirement	Manual Section(s)
FWA Policy	Section 23.00
Segregation of Duties	Sections 3.00, 4.00, 5.00, 8.00
Reporting & Non-Retaliation	Section 23.00

PROCUREMENT P&P UPDATE

Texoma Area Paratransit System, Inc.

6104 Texoma Parkway, Sherman, TX. 75090
Call 844-603-6048 To Get A Ride!

RESOLUTION NO. 26-20200

A RESOLUTION OF THE BOARD OF DIRECTORS OF TEXOMA AREA PARATRANSIT SYSTEM, INC. (TAPS) ADOPTING THE REVISED PROCUREMENT POLICIES AND PROCEDURES MANUAL

WHEREAS, Texoma Area Paratransit System, Inc. (TAPS) receives and administers federal and state funding and is required to maintain sound financial management systems and internal controls in accordance with applicable laws and regulations, including 2 CFR Part 200, Federal Transit Administration (FTA) requirements, and Texas Department of Transportation (TxDOT) grant agreements;

WHEREAS, the Board of Directors has a fiduciary responsibility to ensure the organization maintains appropriate procurement standards, transparency, competition, and compliance with all applicable regulatory and grant requirements; and

WHEREAS, the Procurement Policies and Procedures Manual dated January 2026 reflects current operational practices, clearly defines procurement authority, roles and responsibilities, and incorporates enhanced provisions for competitive purchasing, cost/price analysis, contract administration, conflict of interest standards, and compliance with FTA and TxDOT procurement requirements;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Texoma Area Paratransit System, Inc. hereby adopts the revised Procurement Policies and Procedures Manual dated January 2026 as the official procurement policies and procedures of the organization.

BE IT FURTHER RESOLVED that management is directed to implement the policies and procedures contained therein and to ensure the manual is reviewed at least annually and updated as necessary to reflect changes in operations, regulations, or best practices.

PASSED AND APPROVED on this the 11th day of February 2026 by the Texoma Area Paratransit System (TAPS) governing board.

____
TAPS Board Chair

Texoma Area Paratransit Systems

Procurement Policies & Procedures

REVISION DATE: JANUARY 2026

TAPS Public Transit
PROCUREMENT
POLICIES & PROCEDURES

TABLE OF CONTENTS

1. PURPOSE AND INTRODUCTION

1.1 OBJECTIVE

The purpose of this Procurement Policies and Procedures Manual is to establish clear, consistent, and compliant policies and procedures governing the procurement and disposal of materials, equipment, rolling stock, vehicles, facilities, supplies, and services required by Texoma Area Paratransit Systems (TAPS). This manual also governs the procurement and administration of professional, technical, and other third-party services.

All procurement activities conducted by TAPS shall comply with, at a minimum, the following authorities, as amended or superseded:

- 49 U.S.C. Chapter 53
- 2 CFR Part 200, Subparts C, D, and E (Uniform Administrative Requirements, Cost Principles, and Audit Requirements).
- Federal Transit Administration (FTA) Third Party Contracting Guidance.
- 49 CFR Part 661 (Buy America).
- 2 CFR Part 180 (Suspension and Debarment)
- 49 CFR Part 20 (Lobbying)
- Texas Administrative Code (TAC), Title 43, Chapter 31
- All other applicable federal, state, and local laws, regulations, and grant requirements in effect during the term of any applicable grant agreement.

In the event of conflicting requirements, TAPS shall apply the most restrictive requirement.

These policies apply to all TAPS employees, officers, Board members, agents, contractors, and consultants engaged in procurement-related activities. Unless otherwise stated, the TAPS Board of Directors' designee is the General Manager.

The objectives of these policies are to:

- Maximize the value received from the expenditure of public funds;
- Ensure full and open competition;
- Safeguard assets acquired with public funds;
- Promote efficiency, transparency, and accountability; and
- Protect the integrity and reputation of TAPS and its procurement process.

1.2 STEP-BY-STEP GUIDE

Step 1: Determine project scope, estimated cost, funding source, budget status, and procurement method.

Step 2: Review applicable procurement requirements contained in this manual. Questions shall be directed to the TAPS Board of Directors or its designee prior to proceeding.

Step 3: Obtain required internal approvals prior to solicitation.

Step 4: Complete the procurement process and issue a purchase order or execute a contract prior to commencement of work.

Step 5: Maintain a complete procurement file, including required checklists and supporting documentation.

1.3 GENERAL PROCUREMENT POLICY

All purchases of goods and services shall be conducted under the authority and control of the TAPS Board of Directors or its designee. TAPS is responsible for ensuring fair and equitable treatment of all vendors and maintaining full and open competition in accordance with applicable regulations.

TAPS shall be responsible for procurement planning, solicitation, evaluation, award, contract administration, and recordkeeping for all procurements involving public funds. Procurement actions shall be documented to demonstrate compliance, reasonableness of price, and adherence to applicable requirements.

1.4 REVIEW AND UPDATE

These Procurement Policies and Procedures shall be reviewed at least annually by the TAPS Board of Directors or its designee and updated as necessary to reflect changes in federal, state, or local requirements. Any revisions to Section 2 (General Policies) require approval by the TAPS Board of Directors.

SECTION 2. GENERAL POLICIES

2.1 ETHICS

TAPS employees, officers, Board members, and agents shall conduct all procurement activities with the highest ethical standards. No individual shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest exists.

A conflict of interest exists when an individual, an immediate family member, a business partner, or an organization with which the individual is affiliated has a financial or other interest in a firm competing for or performing a TAPS contract.

No gifts, gratuities, favors, or anything of monetary value shall be solicited or accepted from contractors or potential contractors. Violations of this policy may result in disciplinary action, contract termination, suspension, or debarment.

2.2 CENTRALIZED PURCHASING AUTHORITY

The responsibility for the procurement and disposal of all material, equipment, vehicles, property, and services for TAPS rests with the TAPS Board of Directors or their designee. The TAPS Board of Directors or their designee has independent authority to act for the TAPS Board, subject to TAPS Public Transportation policies, in purchases of materials, equipment or services up to the limits described in section 3. Certain authority and responsibility will be delegated by the TAPS Board of Directors or their designee to other Transdev employees but will always be subject to the TAPS Board of Directors or their designee's review. No other employee may commit funds to potential or existing suppliers or vendors on TAPS's behalf.

The TAPS Board of Directors or their designee shall have responsibility to assure full and open competition, fair treatment of all suppliers, and good value to TAPS in all procurements it makes. The TAPS Board of Directors or their designee will assure effective control of the solicitation, negotiation, award, and contract administration of each procurement made. The TAPS Board of Directors or their designee shall determine the method of procurement (e.g., RFB, RFP, non-competitive negotiation, etc.), the type of contract (e.g., firm fixed-price, cost reimbursement, etc.), and the terms and conditions to be included in each contract.

The TAPS Board of Directors or their designee is responsible to ensure that no contract will be entered into unless all requirements of law, regulations, and all applicable procedures, including proper clearances and approvals, have been met and that sufficient funds are available for the obligation. Following contract award, the TAPS Board of Directors or their designee or his/her designee will monitor contract compliance, enforce contract provisions, issue timely performance and payment approvals, modify the contract as necessary, and close out the contract when its performance is completed

The TAPS Board of Directors may designate an employee who is made specifically responsible for a single project or several projects. The designated employee shall assist to define program requirements and incorporate those requirements in a statement of work, indicate the relevant evaluation factors and the weight they are assigned in evaluation, and develop initial cost estimates for the requirement to enable comparison with the proposals from contractors. During the solicitation, the designated employee will be involved in the evaluation of responses to the solicitation. In competitively negotiated procurements, the designated employee will participate in the evaluation panel.

Following contract award, the designated employee may have primary responsibility for monitoring contractor compliance with contract requirements, keeping the TAPS Board of Directors informed of progress and problems, evaluating technical changes or modifications proposed by the contractor and recommending appropriate action to the TAPS Board of Directors or their designee.

The designated employee will generally have independent authority to manage the solicitation process for simple procurements made under small purchase provisions, see section 5.

All purchases of goods and services shall be initiated through use of a purchase requisition or purchase order, except purchases under $100 or other noted herein.

Early involvement of all employees in planning for procurements is required in order that full and open competition can be maximized. This early involvement will range from 30 to 90 days before contract initiation for annual bids for routine materials procurements, to one year or more for major capital purchases.

Pending the award of a contract in any negotiated procurement, the designated employee may consult with vendors concerning details of their products; however, any discussion of prices, quantities, or other bidding, proposal, or contractual matters with vendors must involve the TAPS Board of Directors or their designee to assure proper procedures are followed.

All correspondence with a supplier regarding a matter of its contract with TAPS, whether relating to the scope of work, specifications, quality of work, delivery, payment, etc will be done by the TAPS Board of Directors or their designee. The TAPS Board of Directors or their designee shall periodically review the quantity, kind, and quality of material or services requisitioned, to avoid purchase of unnecessary or duplicate items, or items of questionable value to TAPS. The TAPS Board of Directors or their designee shall also consider consolidating or breaking out procurements to obtain economical purchases.

The TAPS Board of Directors or their designee may consider and pursue, in the interest of economy and efficiency, the use of State and local intergovernmental agreements for procurements, agreements for the use of common goods and services, or the use of federal or State excess and surplus property, when it is in the interest of TAPS to do so and complies with state and federal requirements and guidelines.

Awards shall be made only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. To that end, TAPS will consider such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources in determining whether a potential contractor is responsible.

The TAPS Board of Directors or their designee shall assure that records are maintained to detail the significant history of a procurement including, but not limited to rationale for method of procurement, selection of contract type, selection or rejection of contractors, basis for contract price, contract amendments or change orders, and contract close-out.

The TAPS Board of Directors or their designee shall be responsible for the settlement of all contractual and administrative issues arising out of procurements, including source evaluation, protests, disputes, and claims. In dealing with protests, the TAPS Board of Directors or their designee shall assure TAPS's written protest procedure (see section XI) which follows FTA Circular 4220.1G.

TAPS shall conduct federally funded procurements in a manner that prohibits statutory or administrative in-State or geographical preferences in evaluation of bids or proposals, except where federal statutes expressly mandate geographic preference.

2.3 Approval Levels for Purchases

The TAPS Board of Directors or its designee will be notified and must approve all purchases.

a. Emergency Purchases

Approvals as described above shall be secured before committing any TAPS funds, except in cases of emergency.

An emergency shall be considered a real and present threat to TAPS property, employee welfare, or the provision of transit service which cannot be reasonably alleviated without the purchase in question. In all cases, TAPS Board of Directors or their designee will be involved.

During normal business hours the requirement will be addressed to the TAPS Board of Directors or their designee, who will assure necessary pricing and issue a purchase order.

After normal business hours, the TAPS Board of Directors or their designee or his/her designee will determine whether the matter may be resolved during the next business day. If not, an attempt will be made to secure price quotations from two or more reputable sources, and a purchase made. A requisition will be prepared the next business day and fully documented as to the nature of the emergency, and approval signatures will be obtained.

Emergency purchases exceeding the threshold requirement for advertising and/or competitive bidding will require prior approval of the TAPS Board of Directors or their designee before a commitment to purchase is made. In such cases, quotes will be invited from two or more persons or firms known to deal in the materials or services required. The TAPS Board of Directors or their designee will report such emergency action to the TAPS Board Members as soon as is possible to do so.

2.4 Disadvantaged Business Enterprise Policy

It is the policy of TAPS to actively encourage and assist Disadvantaged Business Enterprises (DBE) to participate competitively in TAPS procurement actions. A designated employee is appointed by the Board of Directors or his/her designee and reports directly to the TAPS Board of Directors or their designee on all matters pertaining to the DBE program. The designated employee is responsible for DBE program coordination and enforcement.

DBE requirements shall be implemented in accordance with 49 CFR Part 26 and the TAPS DBE Program Plan.

2.5 Audits/Inventory of Assets

a. Real Property Acquisition and Management

Unless indicated otherwise, "property" refers to all real property, including improvements, and equipment. TAPS shall comply with Property Standards, as defined in 2 CFR §200.310 "Insurance Coverage," §200.311 "Real Property," §200.312 "Federally-owned and exempt property," §200.313 "Equipment," §200.314 "Supplies," §200.315 "Intangible Property), and §200.316 "Property Trust Relationship." TAPS will also comply with the 43 TAC Chapter 31, Subchapter E "Property Management Standards," including §31.50 "Recordkeeping and Inventory Requirements," §31.51 "Asset Management," §31.53 "Maintenance Requirements," §31.55 "Title," and §31.57 "Disposition."

TAPS shall follow the requirements for acquisition and management of real property specified in 2 CFR 200. Concurrent with the biennial equipment certification, TAPS will review all real property acquired with FTA assistance and prepare a Certification whether FTA-funded property continues to be needed for project purposes. These certifications no longer require submission to the FTA but must be kept on file. If excess real property exists, an excess real property utilization plan or plan for disposal shall be prepared and submitted for FTA approval.

b. Equipment Management Standards

TAPS shall follow the requirements for management of equipment purchased with Federal Transit Administration funds specified in 2 CFR 200. Once every year, TAPS will conduct a physical inventory and account for all equipment and other capital assets. The property record maintained for each item shall include:

a) description,
b) identification number,
c) grant number and percent federal participation,
d) purchase date,

e) purchase cost,
f) condition and use/location,
g) date of disposal, if disposed, and
h) sale price and method for determining fair market value.

In connection with the physical inventory of assets, a Certification will be prepared regarding the existence, current use, and continued need for FTA-funded equipment, and the Certification will be retained in TAPS' files. For those items identified as surplus, a plan for disposal shall be made.

c. Parts and Supplies Inventory

TAPS will conduct an annual inventory of parts and supplies (or other method such as cycle counting) to reconcile items in stock versus record of those on hand. The Maintenance Manager shall be responsible for conducting the annual inventory of non-capital items and preparing a variance report identifying discrepancies and their value.

Current parts and supplies inventory follows Transdev guidelines and recorded through Transdev.

2.6 Disposition of Surplus Equipment and Supplies/Scrap

a. Identification of Surplus/Obsolete Materials, Supplies, Equipment and Scrap

The identification of surplus equipment, material, or scrap shall be the responsibility of the Maintenance Staff and Manager. Equipment shall be surplus when it becomes obsolete to TAPS because it has been replaced by newer equipment or because the equipment no longer supports TAPS' mission. Equipment shall be scrapped only when it is non-functional and non-repairable and has little or no value unless functional.

Parts are surplus when the part is no longer applicable to TAPS' fleet or when stock on hand exceeds the maximum established by the usage history of the item for a period of over one (1) year. Stock levels and order levels will be reviewed for all stock items at least once annually by the Maintenance Manager.

All scrap metal and other scrap having recovery value shall be sold for the benefit of the TAPS.

b. Disposal of Surplus

It is the policy of the TAPS to dispose of surplus and scrap to ensure the highest possible return consistent with costs of disposal, while conforming to requirements of FTA Circulars 5010.1F and 4220.1G. When considering disposal of personal property, TAPS will either offer it for sale by advertised public bid or by public auction.

Pursuant to FTA Circular 5010.1F, when selling equipment exceeding its useful life with a fair market value over $5,000, or supplies sold for over $5,000 in aggregate, TAPS shall reimburse FTA by the same percentage of net sales proceeds as the percentage of federal interest in the original grant for the equipment or supplies. TAPS will secure prior FTA concurrence in selling equipment before the end of its useful life and shall reimburse FTA for its share of the unamortized value of the remaining service life based on straight line depreciation, unless the unamortized value is $5,000 or less.

Surplus materials or equipment, which cannot be returned or sold, shall not be sold as scrap while such material or equipment is still applicable to TAPS vehicles or operation. The disposition of surplus materials, supplies, and scrap must be authorized and approved by the TAPS Board of Directors or their designee prior to disposition. All sales shall be by cashier's check or cash.

c. Disposal of Scrap

Materials, parts, or equipment identified as scrap and having recovery value shall be sold to the highest of the two scrap dealers willing to make quotations. The disposition of scrap must be approved by the TAPS Board of Directors or their designee prior to disposition. All sales shall be by cashier's check or cash unless otherwise approved by the TAPS Board of Directors or their designee.

2.7 Approved Equals/Brand Name of Equal

TAPS often uses a brand name to describe a specific product or feature. When using brand names, a method must be provided for vendors to use a different brand that may provide the same product or service.

A requirement for a specific brand name is not permitted unless accompanied by the clause outlined in section 7.3.

The following statement must be included in any procurement when brand names are used or referenced.

Whenever a specific trade or product name is used within this specification, the following statement applies: "...or approved equal with essentially comparable standards of quality, design and performance."

All requests for approved equals must be approved by TAPS prior to the bid opening. All requests for approved equals must be supported with detailed technical information.

The use of a specific brand name over another brand name may not be used as grounds for awarding or not awarding a contract.

2.8 Time & Material Contracts

Time & Material contracts are not permitted at TAPS

2.9 Advance Payment

Advance payment is not permitted by TAPS

2.10 Revenue Contracts

a. **Competition** - The competitive process usually consists of a formal bid or proposal process, but it does not always have to. TAPS may use its own judgment about how to meet the intent of the competition requirement on a case by case basis. Documentation must record how the competition requirements were met.

b. **Disadvantaged Business Enterprises** - DBEs should have the maximum opportunity to participate in both contracts and subcontracts that use any federal funds. TAPS is responsible for taking all necessary and reasonable steps to ensure that DBEs have maximum opportunity to compete for revenue contracts since these contracts are considered business opportunities.

c. **Flow-down Requirements** - Generally, if federal funds are not used to generate revenues, then there are no requirements to include federal clauses in the revenue contract itself.

d. **Unsolicited Proposals** - These may come forth when companies see an opportunity to use TAPS (an FTA-funded activity) to enhance their business interest. It may appear from such proposals that no other company could offer the same product or service. However, this does not justify a sole source contract. If the idea or activity is of interest to TAPS, the concept should be evaluated on its own merit and revenue producing potential. If the decision is to implement it, then a competitive process shall be used to select the contractor, unless TAPS determines that the proposed concept itself is proprietary.

e. **Examples of Best Practices**

It is important to always keep in mind the requirement for competition.

The New York City Transit Authority (NYCTA) has experience in many of the areas of revenue generation:

Advertising - buses, trains, stations and other property (billboards), direct advertising on back of MetroCard

Lease/rental of MTA-owned property - concessions, newsstands, retail space, subleasing of office space

The NYCTA procurement office does not handle the revenue generation contracts. Various departments of the transit agency are responsible for the revenue contracts, like the Advertising Department and Real Estate Department. These Departments are aware of the federal requirements and follow them to obtain third-party contractors.

NYCTA was approached recently by a company, which submitted an unsolicited proposal, who wanted to install an electronic information system on the subway cars. The company wanted to program the system so that riders would know what was overhead, e.g. Wall Street, theater district. New York City decided to investigate the concept first to determine if it was something that they wanted to do to enhance the subway system. Deciding that they liked the idea, they then prepared an RFP and solicited vendors on a competitive basis.

Metropolitan Atlanta Rapid Transit Authority (MARTA) received an unsolicited proposal from a company about use of subway right-of-way for linking Atlanta with fiber optic cable using MARTA's system-wide conduits. MARTA determined that they had unused conduits and could lease space in them to various telecommunication companies. They contacted the regional FTA office and received their approval for a non-exclusive RFP to seek competitive proposals for twenty-year leases. This has produced successful revenue contracts.

2.11 Period of Limitation for Rolling Stock

In accordance with 49 U.S.C. Section 5326(b)(1), TAPS may procure rolling stock using financial assistance appropriated for 49 U.S.C. Chapter 53 using a contract with an option, not to exceed 5 years after the date of the original contract, to purchase additional rolling stock or replacement.

2.12 Cost Principles

When procuring any item with Federal funds TAPS shall review each procurement for relevant information pertaining to the cost principles as defined Office of Management and Budget (OMB) 2 CFR Part 200, Subpart E – Cost Principles, agency program regulations, and the terms of the grant agreement.

Any relevant requirements shall be documented by TAPS during the pre-procurement process.

2.13 Arbitrary Action

Arbitrary action is defined as a decision one has made without regard for the facts and circumstances presented, and it connotes a disregard of the evidence. Any arbitrary action in the procurement process is considered to be restrictive of competition and therefore prohibited by TAPS. Prior to the award of any contract or purchase order, the authorized representative of TAPS will review the Procurement documentation and make a determination that no arbitrary action has occurred. The signoff or approval of the procurement will constitute the completion of this task.

2.14 Lease Versus Purchase

To obtain the best value a review of lease versus purchase alternative for acquiring property should be completed and if necessary, obtain an analysis to determine the more economical alternative. TAPS may use FTA capital assistance to finance the costs of leasing eligible property if leasing is more cost effective than full ownership. FTA approval must be obtained prior to entering into a lease agreement.

SECTION 3. RESPONSIBILITIES

3.1 General

The authority to award contracts rests with the TAPS Board Members. This authority is delegated, in part, to the TAPS Board of Directors or their designee and/or Board Chair, who oversee all agency activities and may delegate certain day-to-day purchasing activity to the Operations Manager or others. The TAPS Board of Directors or their designee may delegate certain authority to designated employees made responsible for specific projects carried out by their respective departments. These designated employees are generally responsible to initiate the procurements for their departments and to work closely with the TAPS Board of Directors or their designee in award and administration of contracts.

The responsibilities of persons involved in the procurement process are described in following paragraphs.

3.2 TAPS Board of Directors

a) Sole contracting authority.

b) Establishes agency operating budget and capital plan and budget based on recommendations of General Manager and staff.

c) Approves all purchases of materials, supplies, equipment, vehicles and services

d) Authorizes TAPS Board of Directors or their designee or his/her designee to dispose of surplus materials, supplies, equipment and property, subject to its policies.

3.3 TAPS Board of Directors or their designee of Transdev

a) Approves disposal of surplus materials, supplies, and equipment.

b) Approves any changes to internal purchasing procedures and assures compliance with TAPS purchasing policies

c) oversees DBE program

d) Assures that 49 CFR Part 26 and other federal, State and local regulations are adhered to by TAPS.

e) Solicits and encourages the addition of qualified DBE vendors to TAPS's bidders lists; assures certification and recertification is processed in a timely manner; offers technical assistance to DBE's as appropriate; assists potential prime contractors to identify potential DBE subcontractors for contracting opportunities.

f) Prepares all required internal and external DBE utilization reports; audits procurements as necessary to assure DBE requirements are met.

3.4 Attorney

(a) May be used to review Invitations for Bid (IFB) and Requests for Proposal (RFP) for proper provisions and conditions and proper legal form prior to solicitation.

(b) May be used to review any proposed contracts or any other contracts to be submitted for TAPS approval, for proper legal form.

(c) Assists as requested by TAPS Board of Directors or their designee and Transdev staff in matters of contract solicitation, award, or administration including protests and disputes with vendors.

SECTION 4. ACQUISITION PLANNING

4.1 General

TAPS recognizes that advance procurement planning is a significant factor in providing and enabling full and open competition. Such planning, for large or complex procurements, will involve the efforts of all personnel responsible for a procurement far enough in advance to assure adequate time to solicit maximum participation by prospective vendors in meeting the requirement. Generally, planning for large or complex non-inventory procurements will begin with the annual budgeting and capital planning process. However, very complex procurements may require advance procurement planning to begin before the annual budget cycle in order to properly define a project scope and budget.

4.2 Planning Major Procurements

In order to provide for a smooth flow of major procurement work, the TAPS Board of Directors or their designee will annually convene one or more staff meetings after annual budget approval for the purpose of advance procurement planning for the coming year. The expected result of such meeting(s) will be agreement as to responsibilities for and the general timing of procurement effort for major projects in order that consistency of procurement activity is achieved, and timely solicitations are made. Minutes of these meetings will be made and retained.

The most appropriate method of procurement for each purchase will be determined by the TAPS Board of Directors or their designee in consultation with the Board. Purchases will be made by the following methods:

a) Micro purchase
b) Small Purchase
c) Emergency purchase
d) Request for Bids (RFB),
e) Requests for Proposals (RFP)
f) Non-competitive procurements.

SECTION 5. MICRO & SMALL PURCHASES

TAPS may utilize micro-purchase and small purchase procedures in accordance with 2 CFR §200.320 and applicable TxDOT requirements. Procurement thresholds shall follow the most restrictive applicable requirement.

Note: TAPS may purchase items off of the State contract at every level.

5.1 Micro Purchases General

Section 9.a of FTA Circular 4220.1G authorizes the use of micro-purchases as a method of procurement, when appropriate. If used, the following apply:

a) Micro-purchases are defined as those purchases under $10,000.

b) Micro-purchases may be made without obtaining competitive quotations if the grantee determines that the price to be paid is fair and reasonable.

c) Micro-purchases are exempt from the Buy America requirements.

d) Micro-purchases should be equitably distributed among qualified suppliers in the local area and purchases shall not be split to avoid the requirements for competition above the $10,000 micro-purchase threshold.

e) The requirements of the Davis-Bacon Act apply to construction contracts $2,000 and above.

f) Minimal documentation is required: (a) a determination that the price is fair and reasonable and (b) how this determination was derived.

5.2 Small Purchases General

A significant portion of TAPS purchasing activity involves purchases of materials or services under the threshold for formal advertising and bidding, generally termed "small purchases". Small purchase procedures are covered in this section.

The federal simplified acquisition threshold currently defines the upper limit of small purchases under 2 CFR §200.320; however, TxDOT-issued thresholds shall apply when more restrictive.

A Purchase Requisition is required and the necessary approvals secured prior to the commitment of TAPS funds. The only exceptions to this rule are:

a) Petty cash purchases within limits,

b) Emergency purchases coordinated with the TAPS Board of Directors or their designee, and

c) Direct pay items under existing contracts or with proper prior approvals or authority for expenditure.

5.3 Petty Cash Purchases

The purchase of small-dollar value non-inventory items, $250.00 or less may be accomplished using petty cash, only with prior approval of the General Manager. The petty cash account is intended to satisfy immediate small-dollar needs. All petty cash expenditures must be supported by appropriately detailed receipts for reimbursement. TAPS is tax exempt and no sales tax should be paid.

5.4 Small Purchase Procedures

a. General

While Federal Transit Administration (FTA) regulations contained in 2 CFR §200.320(b) (Uniform Guidance), and the Federal Simplified Acquisition Threshold (SAT), define small purchases as those relatively simple and informal procurement methods for securing supplies, services, or property that do not cost more than $250,000. Where TxDOT-issued procurement thresholds are more restrictive than federal thresholds, the TxDOT thresholds shall apply. Circular 4220.1G requires that price or rate quotations will be obtained from an adequate number of qualified sources when small purchase procedures are used.

b. Competition Guidelines

TAPS's competition guidelines for purchases which are below $10,000 permit purchase without quotation if, in the best judgment of the purchaser, the prices furnished are reasonable and comparable to prices for the same or similar supplies or materials which have been actively competed.

Purchases above $10,000 but below $50,000 will require that informal requests for quotation be solicited from at least three vendors, if available.

Purchases over $50,000 will require written bids (or proposals). Small purchases are not automatically excluded from consideration for formal bidding if cost-savings or other factors make bidding advisable.

For all types of purchases less than the statutory threshold for formal bids, competition guidelines will be relieved when the purchase is known to be "sole source" or when there are less than three potential sources available or willing to quote. In such cases, FTA-required procedures for sole-source acquisition and documentation (see Section 8.0, Non-Competitive Negotiation) will be followed and all efforts to identify and solicit competitive quotations from an adequate number of vendors will be documented.

c. Small Purchase Documentation

When oral quotations are solicited or obtained, an informal record of notation may be made on or attached to the requisition showing names of suppliers contacted, prices and other terms and conditions quoted by each. Written records of solicitation may include actual written or faxed quotations received or abstracts showing suppliers contacted and responding, price and delivery terms quoted, or references to current printed price lists of a vendor.

5.5 Emergency Purchase

Emergency purchases are separately covered under Section 3 of TAPS Purchasing Policies and Procedures. Emergency procedures will not be used to circumvent established policies and procedures elsewhere described herein. Persons initiating emergency purchases are responsible for all documentation required to the point the procurement is taken over by the General Manager.

In the event of an emergency purchase over the threshold for formal bids, the TAPS must be informed at the earliest opportunity.

5.6 Check Request/Direct Pay Items

Certain expenses are incurred without the issuance of a purchase requisition or purchase order supporting each payment. Such expenses are typically the following types:

a) periodic vendor payments under established vendor contracts or leases
b) utility and telephone bills
c) licenses and permits
d) organizational membership dues
e) postage
f) investigative expenses
g) settlement of claims and litigation
h) travel expenses

For some of these payments, TAPS will receive a bill or invoice and for others TAPS may bear the responsibility for meeting a scheduled payment.

SECTION 6. FORMAL ADVERTISING/INVITATIONS FOR BID (IFB)

6.1 General - When TAPS requirements for an item of material exceeds $50,000, or a simple service contract shall be over $50,000, competitive bidding is required.

In addition to the above required IFB solicitations, TAPS may determine in certain circumstances that issuing an IFB for a purchase requirement under the threshold would be appropriate in order to secure a favorable price or other benefit to TAPS.

6.2 Conditions Determining When Formal Advertising is Appropriate

The following conditions should be present for an IFB to be considered:

(a) A complete, adequate and realistic specification or purchase description can be made available. Specifications may include one or more of the following conditions:

(1) That bids will be received and contracts let, separately, for each line or class of materials,

(2) That bids will be received and contracts let for purchase or lease of an (estimated but) unspecified number of items at a fixed price per unit, or

(3) That bids will be evaluated on the basis of such factors as reliability, productivity, and the cost of maintenance and services (i.e.., life-cycle cost).

(b) Reasonable certainty exists that two or more bidders are able and willing to compete effectively for the bid; and

(c) The purchase lends itself to a firm fixed-price contract and the selection of the successful bidder can be made principally on the basis of price.

6.3 Public Advertising - Invitations for Bid for purchases where the estimated aggregate amount is expected to exceed $50,000 will be publicly advertised at least once in either the largest local newspaper of general circulation and on the TAPS website, the day that the solicitation is released. Documentation of the placement of advertisement on the websites shall be included with the procurement documents. As appropriate to the purchase, publication may also be placed in the construction or equipment trade journals, or transit trade journals, etc. to foster competition.

TAPS will maintain bidders lists for routine types of purchases, containing current and prospective vendors. Prospective bidders on TAPS's bidders list or identified by other sources may also be contacted directly to solicit interest. TAPS does not maintain or permit use of prequalification lists.

All IFBs for purchase of supplies, materials, equipment and contractual services in amounts or estimated amounts in excess of $50,000 shall be submitted to the Board of Directors for approval.

6.4 Solicitation: Preparation of IFB

An "IFB" is the complete assembly of related documents, either attached or incorporated by reference, furnished prospective bidders. It is based on a clear and accurate description of the material, equipment or service to be purchased not containing features that unduly restrict full and open competition. IFB's should contain the following information if applicable to the purchase:

(a) IFB (sequence) number,

(b) Name and address of TAPS,

(c) Date of issue,

(d) Date, hour and place of bid opening,

(e) Description of material, equipment, or services to be furnished under each item, in sufficient detail to promote competition,

(f) Time of delivery or other performance requirements,

(g) Permission, if appropriate, to submit bids of alternate material or design (in addition to bid called for),

(h) Statement that "Bids must set forth full, accurate, and complete information as required by the IFB",

(i) Bid guarantee, performance and payment bond requirements,

(j) A minimum bid acceptance period required of the bidder,

(k) Any special technical specifications,

(l) Any special provisions relating to progress payments, patents, liquidated damages, etc.,

(m) Any contract provisions required by federal, State, or local law,

(n) All factors to be considered in evaluation of bids, such as shipping costs, taxes and surcharges, etc., and how they will be considered,

(o) How to obtain copies of documents incorporated by reference,

(p) Instructions regarding how late bids will be handled.

6.5 Solicitation Guidelines

a. Specifications - Specifications and purchase descriptions will provide accurate descriptions of the technical requirements for the material, equipment or service and will include the procedure for determining whether the requirement has been met. When possible, TAPS will state performance specifications defining the expected performance standards the end product is expected to achieve.

Purchase descriptions may refer to a "brand name or equal" product when it is not feasible to provide a more detailed description. All known acceptable brand name products will be listed. Potential bidders will be given opportunity to offer products other than those specifically referenced by brand name if those other products can be shown to meet TAPS needs in the same manner.

b. Bidding Time - Adequate time will be given between the issuing of bid notice and the time set for receipt of bids to permit prospective contractors to prepare bids. Generally, no less than 20 days will be allowed for standard commercial items and no less than 30 days when purchasing other than standard commercial items, or purchasing services. Complex procurements for certain items of equipment or construction will require significantly longer bidding time.

c. Distribution of IFB's - IFB's over $50,000 will be publicly advertised in accordance with Section 6.3. At first publication, they will also be mailed to known prospective vendors. Records of IFB's and bids will be maintained for a reasonable period in order that they may be consulted in preparing a source list for similar IFB's.

d. Amendment of IFB - Any change or correction necessary in bid quantities, specifications, delivery schedules, opening date, etc., which is required after issuing IFB's but before bid opening, will be made by issuing an amendment. Any new information given to one prospective bidder will be furnished to all others in the form of an amendment. Consideration will be given to the period of time remaining to opening and the period will be extended in such amendment, if necessary. Notice of amendment will be furnished to each person furnished an IFB.

e. Responsiveness of Bids - A bid must comply in all material respects with the IFB, including the method and timeliness of submission. Telegraphic or facsimile bids will not be considered under the competitive sealed bid procedure, unless specifically permitted in the IFB. Bidders are expected to use the TAPS bid form, and in failing to do so may be considered non-responsive. Should a bidder submit a bid on its own bid form or a letter, it may only be considered if the bidder specifically states it accepts all terms and conditions of the IFB, and if the award would result in a binding contract not varying from the IFB.

f. Modification/Withdrawal of Bids - Bids may be modified or withdrawn by written, telegraphic, or facsimile notice or in person if submitted to and received by the purchasing professional not later than twenty-four (24) hours before the time set for bid opening.

g. Time and Place of Bid Submission - The IFB, and public advertisement if advertised, will set forth the time, date, and place for opening of bids. A bidder will not be required to (but may) submit a bid before the time specified for receipt of bids. Bid specifications will set forth the manner in which sealed bids are to be marked and identified as sealed bids. When received by TAPS, sealed bids will be date stamped "Received" and the time of receipt noted.

Bids will be opened at the time and place designated in the notice. To be considered responsive, bids must be submitted not later than the exact time specified.

6.6 Award of Bids under IFB Procedures

a. Cancellation After Opening - Award will be made to the responsible bidder who submits the lowest responsive bid unless all bids contain unreasonable prices, there is evidence of collusion or bad faith, or competition was not adequate to ensure a reasonable price. Bids will not be cancelled and re-advertised due solely to increased requirements for items being purchased.

b. Rejection of Individual Bids - Any bid failing to conform to the essential requirements of the IFB, such that it materially affects price, quantity, quality, or delivery of the items offered, or in which the bidder imposes conditions modifying the requirements of the IFB or limiting its liability to TAPS in a way that gives the bidder an advantage over others, will be rejected as non-responsive. Minor informalities, errors that don't go to the substance of a bid, may be waived. A low bidder may be requested to delete certain conditions from its bid, provided they don't go to the substance of the bid. If the bidder fails to furnish a bid guarantee required as a condition of the bid, the bid must be rejected.

c. Rejection of All Bids - When it is determined to reject all bids, all bidders will be notified that all bids were rejected stating the reasons for rejection.

d. Delay of Award - If after bid opening administrative problems delay potential award of the bid beyond the bid acceptance period, and all bids are not to be rejected, bidders will be requested in writing, prior to the expiration of their bids, to extend the bid acceptance period by a specified amount of time. Written confirmation must be received if their bid is to remain in consideration.

e. Award - Award of a bid will be made by written notice within the time period specified for acceptance (or extension). Award will be made to the responsible bidder whose bid, conforming to the IFB, will be most advantageous to TAPS, price and other factors affecting price considered. Award will not be made until all required approvals to contract are obtained.

   Selection of a contractor must be supported and documented, justifying why the contractor was selected. Refer to all of section 6.5 for guidelines for selection and justification.

f. <u>Responsible Bidder</u> - The following factors will be considered in determining responsibility of a bidder:

(a) possession of and limit of any required license
(b) financial responsibility,
(c) experience, and
(d) ability of bidder to complete performance.

g. <u>Responsive Bidder</u> - The following factors will be considered in determining the responsiveness of a bidder:

(a) whether the bid conforms in all material respects with the specifications,

(b) whether the bid complies specifically with the invitation to bid and instructions to bidders, and

(c) whether the bidder complied with all applicable statutes or regulations pertaining to the award of a public contract.

h. <u>Price Analysis</u> - **Some form of price analysis is required for procurement transactions over $50,000.** In addition, cost analysis is required when it is necessary to examine individual cost elements, such as labor hours or materials prices, to determine the reasonableness of price. In most cases, when competition exists under an IFB, price analysis will be used. Price analysis alone is appropriate when the price will be based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or where prices are set by law or regulation. The purchaser must document, for the contract file, that the price is fair and reasonable and give the basis for that conclusion.

Price analysis is the process of examining and evaluating a proposed price, to conclude the price is fair and reasonable, without evaluating its separate cost elements and proposed profit. Price analysis should include at least <u>two</u> of the following approaches:

(a) Comparison of competitive price quotations,

(b) Comparison of prior quotations/bids and contract prices with current quotations/bids for the same or similar items,

(c) Use of yardsticks such as dollars per pound, per horsepower, or other units to identify inconsistencies,

(d) Comparison of published price lists or prices issued on a competitive basis, or published market prices of commodities, together with discount or rebate schedules,

(e) Comparison of proposed prices with independent cost estimates prepared before bid.

Price analysis is based on data that is obtained from sources other than the prospective contractor. Prices proposed by competitors are the best data because they reflect current economic conditions and are based on identical specifications. If using prior pricing information, the following factors must be considered:

(a) The prices must be adjusted for changes in economic conditions between the times of the two procurements;

(b) Adjustments must be made for differences in quantity;

(c) Consideration must be given to inclusion of nonrecurring costs in prices. To make a fair comparison, nonrecurring costs should be removed from both prices.

i. Single Bids - TAPS may award a contract to a single bidder provided that an analysis can be completed which documents the price is fair and reasonable. Price analysis will only be used when price reasonableness can be established based on catalog or market price of a commercial product sold in quantity or set by law or regulation. A cost analysis is required in all other cases of single bid evaluation. Cost analysis is covered in Section 7.6.6.

In accordance with FTA Circular 4220.1G and 2 CFR §200.320, when only one bid or proposal is received, TAPS shall document whether full and open competition was obtained and whether the price is fair and reasonable. If competition is determined to be inadequate, the procurement shall be treated as a non-competitive procurement and shall follow the non-competitive procurement procedures in Section 8 of this manual.

In accordance with FTA Circular 4220.1G and 2 CFR §200.320, when a capital procurement results in only one bid or proposal, TAPS shall document whether full and open competition was obtained and whether the price is fair and reasonable. If competition is determined to be inadequate, the procurement shall be treated as a non-competitive procurement and shall follow the sole-source procedures in Section 8 of this manual. All supporting documentation shall be retained in the procurement file and made available for review by TxDOT, FTA, or auditors upon request.

6.7 Bonding Requirements

a. General - A bid bond, performance bond, payment bond or any combination thereof, or sufficient other surety, in an amount determined necessary by TAPS, may be required of each bidder or contractor on a particular contract. The purpose of such bonds or other surety will be to insure proper performance of the contract, and save, indemnify and keep harmless TAPS against all loss, damages, claims, liabilities, judgments, costs and expenses which may accrue against it in consequence of the awarding of the contract.

Excessive or unnecessary surety requirements can restrict and inhibit competition. Therefore, TAPS shall carefully consider the nature of the performance and the need for future protection. TAPS will consider the risks if a successful offeror fails to enter into a formal contract or to perform under a contract, based on the type of supply or service to be performed, the dollar amount of the contract, and the delivery time requirements. Generally, no surety should be required for any procurement made under the small purchase limitation or for standard commercial items that are formally solicited. Performance and payment surety requirements are generally only applied to construction contracts.

For construction or facility improvement contracts exceeding $100,000, TAPS shall require bonding in accordance with **2 CFR §200.325**, the **FTA Master Agreement**, and **Texas Government Code Chapter 2253**. Minimum requirements shall include:
(1) A bid guarantee equal to at least five percent (5%) of the bid price;
(2) A performance bond equal to one hundred percent (100%) of the contract price; and
(3) A payment bond equal to one hundred percent (100%) of the contract price.

For contracts at or below $100,000, TAPS may require bonding when determined necessary to protect the agency's interests, consistent with state law and TxDOT guidance.

b. Bid Bonds - Bid bonds shall not be required for any purchase under the small purchase limitation of $10,000.

Except where bid guarantee is required by law or regulation, the TAPS Board of Directors or their designee shall assess the need for such protection in view of the nature of material, equipment or service to be purchased, the expected level of competition, and the extent of urgency in securing it. As a general rule, a bid guarantee will not be required for standard commercial items where adequate competition is expected to exist.

Bid guarantees shall be required for construction or facilities improvement contracts over $100,000. The bid guarantee amount shall be ten percent (10%) of the contract amount when bid security is required.

c. Performance and Payment Bonds - The requirement for a performance bond shall be determined by the TAPS Board of Directors or their designee in view of the nature of purchase, its scope, and potential impact to TAPS of the contractor's failure to perform. When required, performance bonds shall be not less than 5 percent (5%) of the contract amount. Performance bonds for purchases of standard commercial items generally will not be required.

Performance and payment bonds in the amount of one hundred percent (100%) of the contract amount shall be required for TAPS public construction or facilities improvement contracts over $100,000.

d. Handling and Documentation - When negotiable instruments are submitted as bid guarantee, the bid guarantees of unsuccessful bidders will be returned to the bidders immediately upon award of bid (or rejection or expiration of bid). Bid guarantees of successful bidders will be retained until successful completion of the purchase.

Should the TAPS Board of Directors or their designee determine a need for bid guarantee, performance bond, or payment bond where not required by law or regulation, documentation justifying the need for and the amount of guarantee or bond will be included in the contract file.

SECTION 7. COMPETITIVE NEGOTIATION/REQUESTS FOR PROPOSALS (RFP)

7.1 General

When TAPS requirements for professional or personal services contracts over $50,000, competitive proposals and negotiation will be used, except where the service to be performed can be described in an IFB and qualitative evaluation is unnecessary. The competitive proposal process may also be appropriate for certain other procurements in which it is infeasible to fully detail a specification suitable to the IFB process. Proposals are formally advertised and a fixed-fee or cost-reimbursement type contract is negotiated and awarded to the responsible proposer whose proposal is most advantageous to TAPS with price and other factors considered. In competitive negotiation, negotiation is undertaken with all offerors who are in competitive range.

In addition to the above-required formally advertised RFP solicitations, TAPS may determine in certain circumstances that issuing an RFP for an amount below the over $50,000 threshold would be appropriate to secure favorable competition or price to TAPS.

Depending on contract type, TAPS Board of Directors may form a committee. This committee may consist of other board members and/or transit operations management.

7.2 Conditions Determining When Competitive Negotiation is Appropriate

The following conditions should be present for an RFP to be considered:

(a) A complete, adequate and realistic specification or purchase description is infeasible, or a more general description is appropriate to assure full and open competition;

(b) Factors other than price, or price-related, will be evaluated and weighed, with price, for award (except architect/engineering contracts prohibiting price consideration in evaluation);

(c) Oral/written discussions may be needed with offerors;

(d) Reasonable certainty that two or more proposers are able and willing to compete with proposals; and

(e) It is appropriate if a cost-reimbursement contract must be used instead of a fixed-fee contract.

7.3 Public Advertising

Requests for Proposal will be publicly advertised in the largest local newspaper of general circulation and on the TAPS website at least 10 business days prior to the due date for receipt of proposals. As appropriate to the purchase, publication may also be placed in trade journals or other media to foster maximum opportunity for competition.

TAPS will also maintain and establish lists of prospective proposers and may directly contact prospective contractors to solicit interest in the project.

7.4 Solicitation: Preparation of RFP

A Request for Proposal (RFP) is the complete assembly of related documents, either attached to or incorporated by reference, furnished prospective proposers. RFP's should include the following information if applicable to purchase:

(a) RFP (sequence) number,

(b) Name and address of TAPS,

(c) Date of issue,

(d) Date, hour, and place for receipt of proposals,

(e) As complete a description of TAPS's needs as possible, set forth clearly to promote understanding of those needs by an adequate number of qualified sources to promote reasonable competition,

(f) Request for technical and cost proposals (ceiling price or budget will not be disclosed),

(g) List of evaluation factors/criteria in descending order of importance as indicated by relative weights applied to each factor,

(h) Statement that TAPS reserves the right to select and award based on original proposals without discussion or negotiation with offerors, or with negotiation,

(i) Proposal guarantee, performance and payment bond requirements, if any,

(j) Minimum proposal acceptance period required of proposer,

(k) Special contract provisions and contract provisions required by federal, State, and local law, and

(l) How to obtain copies of documents incorporated by reference.

7.5 Solicitation Guidelines

a. Departmental Responsibilities - The TAPS Board of Directors or their designee or the designated employee responsible for the procurement, will prepare the following:

  (a) Specification, scope of work, statement of desired services, in as much detail as possible

  (b) Suggested evaluation factors, in rank order of importance, and weights.

  (c) Suggested evaluation team members

  (d) A detailed independent estimate of costs for the required services.

b. Independent Estimate of Costs (ICE) - An independent estimate of costs is required to be prepared prior to all negotiated procurements. An ICE is an independent assessment of what would be expected to pay for goods or services, based on reliable sources, such as paid historical prices, industry standard, or market surveys. The independent estimate will be retained in the contract file and will be used as a basis to establish the competitive range for the resulting negotiations. The independent estimate will be provided to the TAPS Board of Directors or their designee or designated employee before proposals are received.

c. Distribution of RFP - Public advertising as described in Section 7.3 will be conducted for all RFP solicitations. The TAPS Board of Directors or their designee will furnish RFP solicitations to (at least three, if possible) known qualified firms or persons who may propose, no earlier than the first date of publication.

d. Discussion with Proposers - During the solicitation process and through evaluation and award, the TAPS Board of Directors or their designee shall be the primary contact with all proposers, unless such authority is delegated to the designated employee. Care will be given to avoid providing any information to an offeror that would give them competitive advantage. Only the TAPS Board of Directors or their designee shall discuss issues of expected cost with prospective proposers, and no ceiling or budget price will be furnished.

7.6 Evaluation of RFP Submissions

a. Evaluation Committee - The TAPS Board of Directors or their designee or designated employee, shall establish written evaluation criteria and weighing of criteria that shall become part of the solicitation. An evaluation committee shall be designated by the TAPS Board of Directors or their designee prior to opening of the RFP. The size and make-up of the committee will be dependent upon the nature and scope of the procurement. It may consist of the requesting designated employee or department head, other senior managers, a Board Member, and/or community representatives from outside the company with expertise in the subject of the procurement. The evaluation committee may also continue to serve in conducting negotiations with a proposer and in a project coordinating capacity after award, as determined by the TAPS Board of Directors or their designee.

b. Selection of Offerors - Written or oral discussion may be conducted with all responsible offerors who submitted proposals within a competitive range, price and other factors considered. Exceptions to this requirement are:

(a) Purchases under $50,000,

(b) Purchases where rates or prices are fixed by law or regulation, and

(c) Purchases in which it can be clearly demonstrated that acceptance of the most favorable initial proposal without discussion would result in a fair and reasonable initial price, and only if TAPS reserved the right to do so in the solicitation.

In instances where a proposal is deemed to be most favorable, but that proposal involves a material departure from the requirements stated in the RFP, all offerors shall be given the opportunity to submit new proposals on a basis comparable to that proposed.

c. Proposal Openings - At the time and date set for proposal openings, proposals will be opened and the name of each proposer read. Price proposals will not be read aloud or otherwise disclosed to anyone other than the evaluation committee upon its first meeting. To protect the integrity of the RFP process, in most instances, no additional information regarding the contents of a proposal will be released or made available to other proposers or the public until award by the TAPS and conclusion of any protests.

d. Conduct of Evaluation - In conducting a technical and cost evaluation of proposals, the evaluator or evaluation committee will consider only those factors set forth in the solicitation as evaluation factors; no other evaluation factors may be used. Findings related to evaluation factors should be concrete and specifically related to those factors.

Responsibility factors may be included in evaluation. However, responsibility factors will only be evaluated to establish a proposer's eligibility or ineligibility for award; there will be no weighing of responsibility factors other than to establish a proposer eligible or ineligible for award (i.e., one responsible vendor can be no "more responsible" than another, only more responsive).

Evaluation criteria will vary with each RFP, but might include a range of weights given to such factors as:

(a) Quality of similar work known to have been performed,
(b) Depth of experience in the field,
(c) Competence of technical personnel,
(d) Quality of the responses to the RFP,
(e) Ability to meet contract schedules, and
(f) Best estimate of total cost.

e. Architect/Engineer Contracts - In accordance with the Brooks Act (40 U.S.C. §§1101–1104), 2 CFR §200.317, and Texas Government Code Chapter 2254, TAPS shall procure architectural, engineering, and related professional services using Qualifications-Based Selection (QBS). Under QBS procedures, firms shall be evaluated and ranked based solely on technical qualifications and experience.

Price shall not be used as an evaluation factor in ranking firms. TAPS shall negotiate a fair and reasonable contract price only with the highest-ranked firm. If negotiations are unsuccessful, TAPS shall formally terminate negotiations and proceed to negotiate with the next most qualified firm. QBS procedures apply to architectural, engineering, design, preliminary engineering, feasibility studies, surveying, mapping, and construction management services when performed by licensed A&E firms.

f. Cost Analysis - In a competitive negotiation, price analysis will generally only be used where price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities or where prices are fixed by law or regulation. In all other cases of competitive negotiation, or non-competitive negotiations including single bid, option, contract modification, or change order, cost analysis will be performed if price reasonableness cannot be established. Cost analysis is appropriate to professional service, personal service, and architect/engineer contracts when the offeror is required to submit the elements of his estimated cost.

A cost analysis is the review and evaluation of the separate cost elements and proposed profit of an offeror's or contractor's cost and pricing data. Performance of the contract should cost, assuming reasonable economy and efficiency, and whether costs are proper, allowable, and allocable.

Cost analysis is different from price analysis because it focuses on the reasonableness of the estimated costs of performance, not the reasonableness of the price. It is necessary to review each element of cost to determine whether the contractor's estimate contains an accurate and reasonable prediction of the costs that will be incurred during performance. The contract price is determined by adding a rate of profit that is determined to be fair.

Major elements of cost analysis are as follows:

(1) Verification of cost or pricing data and evaluation of cost elements, including the following:

(a) Necessity for and reasonableness of proposed costs, including allowances for contingencies;

(b) Projection of offeror's cost trends on basis of current and historical cost and pricing data;

(c) Technical appraisal of estimate labor, material tooling, and facilities requirements and reasonableness of scrap and spoilage factors; and

(d) Application of audited or negotiated indirect cost rates, labor rates, etc.

(2) Evaluating the effect of the offeror's current practices on future costs, to ensure the effects of inefficient or uneconomic past practices are not projected into the future.

(3) Comparison of cost proposed by the offeror for individual cost elements with the following:

(a) Actual costs previously incurred by the same offeror;

(b) Previous cost estimates from the offeror or other offerors for the same or similar items;

(c) Other cost estimates received in response to TAPS's requests;

(d) Independent cost estimates by TAPS technical personnel; and

(e) Forecasts or planned expenditures.

(4) Verification that the offeror's cost submissions are in accordance with federal cost principles and procedures.

(5) Review to determine whether any cost or pricing data necessary to make the contractor's proposal accurate, complete, and current have not been either submitted or identified in writing by the contractor.

(6) Analysis of the results of any make-or-buy analysis in evaluating subcontract costs.

Cost analysis will be performed by the TAPS Board of Directors or their designee or designated employee prior to initiating any negotiation with offerors and will be used as a basis for negotiation of a fair and reasonable price. A memorandum will be prepared for the contract file reflecting how the cost analysis was conducted, the factors considered, including profit, and the judgments made.

7.7 Negotiations

a. General - The TAPS Board of Directors or their designee shall be responsible for negotiation of all competitively negotiated or non-competitively negotiated contracts over $50,000.

With the exception of architect/engineering contracts, all qualified offerors whose proposals are in competitive range will be included in the negotiation process.

All proposers selected to participate in negotiations shall be advised of deficiencies in their proposals and offered reasonable opportunity to correct or resolve the deficiencies and to submit such price or cost, technical, or other revisions to their proposals that may result from the discussions. A deficiency is defined as that part of a proposal that would not meet TAPS's requirements.

During separate discussions with offerors, TAPS shall not disclose the strengths or weaknesses of competing proposers or disclose any information regarding one proposer that would enable another proposer to improve his/her proposal as a result thereof.

b. Negotiation of Profit A fair and reasonable contract provision for profit or fee will not be a simple percentage of the cost estimate or selling price but must be stated in the contract as a dollar amount. Profit is influenced by such things as the amount of subcontracting, travel, subsistence, and material, and as these items increase in relation to direct labor, the percent of profit should decrease. The amount of profit on a non-research and development contract is limited to ten percent (10%) maximum. The following factors will be considered in determining profit in all negotiated contracts. Cost-plus-a-percentage-of-cost contracts are prohibited in accordance with 2 CFR §200.323(d). Cost-reimbursement and time-and-material contracts may be used only when no other contract type is suitable, and shall include a not-to-exceed ceiling price and appropriate oversight controls.

c. Effect of Competition - When competition is adequate and market-place pressures on price are evident, TAPS will not ordinarily need to consider profit in detail. When competition is lacking, profit will need to be carefully considered.

d. Degree of Risk - The degree of risk assumed by the contractor will influence profit; when elements of risk are shifted to TAPS through provisions of cost-reimbursement or price escalation, profit should be less.

e. Nature of Work - Difficulty or complexity of the work, unusual demands of the contract (i.e.., new technology, approaches), and whether contractor must use highly skilled professionals will influence profit.

f. Extent of TAPS Assistance - To the extent the contractor utilizes TAPS's facilities, equipment, financial resources or other assistance, profit will be reduced.

g. Extent of Contractor's Investment - The extent of contractor investment, both equity and borrowed capital, will influence acceptable profit.

h. Character of Contractor's Business - When turnover of contractor's working capital is characteristically low, profit on individual contracts is generally higher than in industries where turnover is higher.

i. Contractor's Performance - Consistent excellent past performance merits consideration in higher fee, record of quality control, cost control, meeting delivery schedules, creative ability merits consideration.

j. Subcontracting - Subcontracting should be segregated for separate profit or fee evaluation. When subcontractors perform a substantial portion of the work, the prime contractor's profit should be lower. Subcontractors should be entitled to a fair and reasonable profit; contractors and subcontractors cannot both receive full profit for the same work.

k. Unrealistic Estimates - If records reveal a contractor's actual costs are consistently lower than estimated costs and the contractor will not provide what is considered to be a realistic estimate of costs, a lower profit or fee is appropriate.

l. Negotiation Memorandum - Each negotiation regarding a procurement must be documented and included in the contract file. A Negotiation Memorandum will generally include:

m. Background - covering the requirement, its purpose, special characteristics; statement of when and where negotiations were conducted, principal participants, and result; record of any unusual aspects such as changes in requirements, progress payments, major subcontracts.

n. Justification for Type of Contract - summary justification for the type of contract chosen to be used (i.e.., fixed fee, cost reimbursement plus fixed fee, time and materials, labor hour, etc.).

o. Technical Evaluation of Cost Elements - an analysis of reasonableness of contractor's estimates of work to be performed under the proposal.

p. Cost or Price Analysis - summary of cost or price analysis performed.

q. Pre-negotiation Position - statement of pre-negotiation position on cost elements, profit, price, delivery schedule, etc. (independent cost analysis may be used).

r. Procurement History - including procurement authority, whether it is new or sole source, change order or modification, number of RFPs issued, number of proposals received, discussion of proposals received.

s. Negotiation of Costs - how final cost elements were determined, including profit.

t. Signature, Title, Date

7.8 Award

a. General - Unless all proposals are rejected, award will be made to the lowest or best proposer based on the evaluation criteria established in the RFP. Award will not be made until all required signature approvals have been obtained.

In the event the Board should disagree with the recommendation of the evaluation committee or staff, the Board Members not bound by their recommendations in the making of an award. However, the decision of the Board Members must be consistent with the written evaluation criteria and requirements as set forth in the solicitation, and it cannot consider other factors than those. If awarded to other than the recommended proposer, contract file documentation must be provided by counsel justifying the basis for award.

b. Award of Contract - Upon award of a contract, the TAPS Board of Directors or their designee will return any negotiable bid guarantees to unsuccessful proposers. Bid guarantee furnished by the successful proposer will be retained in the contract file. The TAPS Board of Directors or their designee or designated employee will notify unsuccessful proposers in writing. If not already incorporated in the solicitation document and including signatures of the proposer, a contract will be prepared in duplicate and mailed to the contractor for signature. When returned with any necessary performance bond, certificates of insurance, etc., it will be furnished to the TAPS Board of Directors or their designee for appropriate signature. One copy will be retained in the contract file and the second returned to the contractor.

SECTION 8. NON-COMPETITIVE NEGOTIATION

8.1 General

Non-competitive negotiation, or sole source, procurement is accomplished through solicitation or acceptance of a proposal from only one source or when, after solicitation of a number of sources, competition is determined inadequate. A contract amendment or change order not within the original scope of a contract is considered a non-competitive procurement, as is exercise of an option clause in a contract.

8.2 Limitations

Purchase by non-competitive negotiation will be used only when the award of a contract is infeasible under small purchase procedures, sealed bids (formal advertising), or competitive proposal methods, and at least one of the following circumstances exists:

(a) The item is only available from a single source,

(b) There is unusual or compelling urgency or an emergency not permitting delay from competitive processes,

(c) After solicitation of a number of sources, competition is determined inadequate, OR

(d) When an associated capital maintenance item or replacement part is available only from the original equipment manufacturer or a single authorized supplier, TAPS may utilize non-competitive procurement procedures in accordance with 2 CFR §200.320(c), provided that a written sole-source justification is prepared, price reasonableness is documented, and required approvals are obtained in accordance with Section 8 of this manual.

8.3 Processing Non-Competitive Procurements

The TAPS Board of Directors or their designee, or designated employee responsible for a purchase, is responsible for providing accurate and complete information necessary to support the recommendation for a non-competitive procurement.

The TAPS Board of Directors or their designee will assure that, before initiating a non-competitive purchase:

(a) Written justification is documented in the contract file,

(b) It is certified as accurate and complete by the TAPS Board of Directors or their designee or other responsible official,

(c) Appropriate approvals are secured consonant with required signature authority levels,

(d) Cost analysis or price analysis, as covered in Section 7.6.6, is required and must be documented in the contract file, AND

(e) Non-competitive procurements shall be conducted only in accordance with 2 CFR §200.320(c). TAPS shall prepare a written sole-source justification, document price reasonableness, obtain internal approval, and retain all supporting documentation in the procurement file for review by TxDOT, FTA, or auditors upon request.

Negotiated procurement procedures as outlined in Section 7.0, Competitive Negotiation, must be followed for non-competitive procurements.

8.4 Contract Options

a. General - An option is a unilateral right in a contract by which, for a specified time, TAPS may elect to purchase additional materials or services called for by the contract or may elect to extend the term of the contract. When used properly, options can enhance the flexibility of procurement by TAPS. The TAPS Board of Directors or their designee must address several considerations to determine the best interest of TAPS before electing to include an option clause in a solicitation and contract award, including:

(a) How long the option period should be,

(b) What an appropriate option quantity should be, in relation to the base quantity, and

(c) How option prices should be evaluated in the selection process for award.

Options generally will not be used when the any of the following circumstances exist:

(a) The option represents known firm requirements for which funds are available,

(b) The foreseeable requirements involve the production and delivery of minimum economic quantities (permitting recovery of start-up costs and delivery of requirements at a reasonable price) and delivery requirements far enough into the future to permit competitive acquisition in a single order,

(c) The materials or services are readily available on the open market,

(d) The contractor may incur undue risks in quoting an option (i.e., price or availability of necessary materials or labor is not reasonably foreseeable) or market prices are likely to change substantially in the future, or

(e) An indefinite quantity or requirements contract is appropriate (except that such contracts may be extended with use of an option clause).

b. Use of Options - In using options, TAPS will follow the requirements of FTA Circular 4220.1G as follows:

c. Option Quantities - The contract shall limit option quantities for additional equipment, materials and services to not more than fifty percent (50%) of the initial quantity of the same contract line item.

d. Option Period - The total of the basic contract and option periods shall not exceed five years in any contract.

e. Option Price - The contract shall specify the price for the products or services for the specified option period.

f. FTA Approval - Prior to issuing a solicitation, TAPS will obtain FTA approval for the inclusion of any option provision in excess of the amounts or periods set forth above. The request to FTA will set forth the need for the option and why it is in the best interest of TAPS and the FTA.

i. Solicitation Guidelines for Options - The following guidelines will be incorporated in specifications when making solicitations in which option clauses will be used:

(a) TAPS will state that the evaluation of options will not obligate TAPS to exercise the option.

(b) TAPS will state the bid or proposal may be rejected if it is materially unbalanced as to prices for the base requirement and option quantities.

(c) TAPS will state that the total proposal or bid price including the base requirement plus the option prices will be evaluated as part of the award decision. However, when calling for options, TAPS may elect to evaluate all proposals without options and award a contract without options.

(d) TAPS will indicate how the option will be exercised, including the time frame for exercise of the option. In order to exercise the option after contract award, it must have been evaluated as part of the initial competition.

j. <u>Exercise of Contract Options</u> - TAPS will exercise an option only after making a written determination, signed by the appropriate official and placed in the contract file, that the exercise of the option is the most advantageous method of filling TAPS's need, price and other factors considered. The following methods may be used to make such a determination:

(a) A new solicitation may be made and the option awarded if the new solicitation fails to produce a more favorable price or offer. This method will not be used when it is reasonably certain the option price or offer is the best available;

(b) An analysis of prices or examination of the market indicates that the option price is better than the prices available on the market or that the option is a more advantageous offer; or

(c) The time between the award of the contract and the exercise of the option is so short that it indicates the option price is the lowest obtainable or it is the most advantageous offer.

In determining whether to exercise an option, TAPS will take into account its need for continuity of operations and potential costs of disrupting operations. Options will only be exercised in accordance with the conditions of this section, the terms of the option and within the option period specified in the solicitation.

SECTION 9. FTA-SUPPORTED CONSTRUCTION CONTRACTS

9.1 General

Under federal laws and regulations and FTA grant contracts, certain special solicitation and contract requirements apply to construction contracts which are not necessarily applicable to non-construction contracts. These special requirements include mandatory requirements for bid bonds, performance bonds and payment bonds for construction contracts above $100,000 (see Section 6.7, Bonding Requirements), minimum insurance requirements, liquidated damages provisions in contracts, Anti-Kickback provisions and labor provisions applicable to all construction contracts under the Davis-Bacon Act.

The New Hampshire Code, also, has specific provisions pertaining to public construction or "public works".

Construction contract solicitation and administration requirements will not be covered in detail in this Manual. Solicitations and contracts for construction or "public work" activity will require careful review by counsel to assure completeness.

9.2 Federal Labor Requirements

a. Davis-Bacon Act - TAPS is subject to the requirements of the Davis-Bacon Act, under which the advertised specifications for every TAPS contract over $2,000 for construction, alteration and/or repair, including painting and decorating, of public buildings or public works which requires or involves the employment of laborers and/or mechanics must contain a provision stating the minimum wages to be paid them based on determinations by the Secretary of Labor of local prevailing wage rates for comparable work. The rates must be posted at the site, and the wages must be paid in full no less often than weekly.

   A copy of the determination of the Secretary of Labor must be included in each solicitation and the award of any contract must be conditioned upon the contractor accepting the terms of it. As an FTA grantee, TAPS must report all reported or suspected violations to the FTA.

b. Copeland Anti-Kickback Act - TAPS is subject to the requirements of the Copeland Anti-Kickback Act (18 U.S.C. 874) as supplemented by Department of Labor regulations (29 CFR Part 3) applicable to all contracts or subcontracts for construction or repair. This Act provides that each contractor or subcontractor shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he/she is otherwise entitled. TAPS is required to report any suspected or reported violations to the FTA.

   b. Contract Work Hours and Safety Standards Act - For federally funded or federally assisted construction contracts exceeding $100,000, TAPS shall require compliance with the Contract Work Hours and Safety Standards Act (40 U.S.C. §§3701–3708) and Department of Labor regulations at 29 CFR Part 5. Contractors and subcontractors shall compensate mechanics and laborers at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty (40) hours in a workweek. Construction work shall not be performed under conditions that are unsanitary, hazardous, or dangerous to worker health or safety. These requirements do not apply to procurements of supplies, equipment, or non-construction services.

SECTION 10. CONTRACT ADMINISTRATION

10.1 Board of Directors Post-Award Responsibilities

Contract Administration is defined as a system that ensures contractors perform in accordance with the terms, conditions and specifications contained in their contracts or purchase orders.

The TAPS Board of Directors or their designee's post-award contract administration responsibilities include the following responsibilities (these may be delegated to other designated employees):

a. Monitoring for Contract Compliance - The TAPS Board of Directors or their designee is responsible for monitoring contract compliance and reporting it to the Board. If relying on the designated employee for contract compliance monitoring, the TAPS Board of Directors or their designee must assure that the designated employee gives timely notice of contract compliance problems.

b. Enforcing Contract Provisions - It is the TAPS Board of Directors or their designee's responsibility to enforce the contract as written or amended. If not enforced, a loss of time or product quality may be incurred.

c. Issuing Timely Performance and Payment Approvals - The TAPS Board of Directors or their designee is the person with authority to approve contract performance so that progress payments or other authorized expenditures of funds to the contractor are made. Timely approvals enable the work to proceed on a timely basis.

d. Modifying the Contract as Necessary - As the contract work proceeds, modifications or changes may become necessary. After technical considerations are resolved (by designated employee), it is the TAPS Board of Directors or their designee who has authority to initiate contract changes on behalf of TAPS.

e. Closing Out the Contract - When the contract performance is completed, it is the TAPS Board of Directors or their designee's responsibility to close out the contract. Timely close-out enables comparison of performance to be checked against contract requirements while information is fresh and maximizes TAPS's ability to correct any deficiencies of performance against contract requirements.

10.2 Project Management

For major projects, the TAPS Board of Directors or their designee may designate an employee for every project in excess of over $50,000 (this excludes purchase of standard items of material exceeding $50,000). It is the designated employee's responsibility to follow the contractor through the work process, providing technical direction to the contractor regarding the Scope of Work (which defines specific tasks, milestones and review procedures for the specific project). When authorized by the TAPS Board of Directors or their designee, the designated employee will respond to correspondence on technical matters from the contractor, either orally or in writing, and shall furnish the TAPS Board of Directors or their designee with a copy of or memorandum reflecting all correspondence with the contractor. The designated employee shall review the progress of all the work on a periodic basis and initiate any required reviews by the TAPS Board of Directors or their designee.

The contractor may be required to document the amount of time and money spent on work on a periodic basis as specified by the contract. It is the designated employee's responsibility to review the contractors' documentation and invoices in relation to the milestones, work expended, and budget, and to advise the TAPS Board of Directors or their designee whether the contractor is in compliance with the contract.

10.3 Contract Amendments and Change Orders

Change orders are amendments to a contract and may be required to adjust a contract quantity or performance period due to unanticipated conditions. Change orders are considered non-competitive procurements and are subject to the same requirements as noted in Section 8.0. The TAPS Board of Directors or their designee shall determine whether the proposed change order contains a change in scope that may be grounds for bidding the extra work. All change orders are subject to the TAPS Board of Directors or their designee's review and approval. If a change order, or the cumulative effect of all change orders, is to increase the original contract amount by over ten percent (10%) of the original contract amount approved by the TAPS, the TAPS Board of Directors or their designee shall submit it to the TAPS Board for prior approval before the change is made. Change orders are subject to the availability of funds.

A cost analysis must be performed and filed in the contract file in connection with any change order, unless price reasonableness can be established based on catalog or market price of a commercial product or on the basis of prices set by law or regulation.

10.4 Contract Requirements

Contracts established by TAPS should set forth each party's responsibilities and rights clearly and completely in order to minimize the potential for conflict, and should set forth the directions for resolutions of disputes, if any. Contracts should include the following elements, as appropriate to the specific purchase:

(a) Statement of Work/Scope of Work

(1) Contract Objectives

(2) Contract Scope

(3) Specifications/Purchase Descriptions

(4) Progress Report Requirements (consultant/professional services contracts and any contract containing progress payment provisions)

(b) Delivery Schedule

(c) Contract Period

(d) Pricing Schedule (should include description of each line item, quantity, unit of measure, unit price and total price for each item)

(e) Payment Schedule (including special terms such as progress payments and authorities to withhold payments)

(f) Inspection Provisions and Acceptance Criteria

(g) FOB Point and Delivery Instructions

(h) Other Requirements (if appropriate):

(1) Identification of key personnel and facilities

(2) Extent of subcontracting and consulting

(3) Provision for changes by TAPS within general scope of the contract

(4) Provision for termination for default by TAPS for its convenience and, where appropriate, suspension of the contractor's work under the contract

(5) Provisions for resolution of protests (required in solicitation), contract claims and disputes

(6) Sanctions or remedies, such as liquidated damages or performance bonds, for contractor's non-performance

(7) Notice of any FTA or other federal requirements applicable to the contract.

10.5 Other Provisions

a. Liquidated Damages Provisions - The TAPS Board of Directors or their designee shall determine whether or not the use of a liquidated damages provision is appropriate for each specific procurement. The amount of liquidated damages set forth must be reasonable to compensate TAPS for possible damages and not be so large as to be construed as a penalty. TAPS will not include such provisions in contracts unless:

(a) The time of delivery is of such importance that TAPS can reasonably expect to suffer damage if the delivery is delinquent,

(b) TAPS determines the delivery schedule is reasonable at the time of contract award, and

(c) Damages would be difficult or impossible to establish.

If the TAPS Board of Directors or their designee determines that a liquidated damages provision is necessary in a contract, he/she shall document the derivation of the rate of assessment and assure it is reasonable, proper, and not arbitrary.

b. <u>Progress Payment Provisions</u> - The following standards relate to TAPS's use of progress payment provisions:

(a) Progress payments may be appropriate if:

(1) the contractor won't be able to bill the first delivery of products, or other performance milestones, for a substantial time after work must begin, and

(2) the contractor will make expenditures for contract performance during the period prior to delivery having significant impact on its working capital.

(b) Progress payments may be appropriate for small or DBE businesses if the contractor demonstrates actual financial need or unavailability of private financing.

(c) When progress payments are used in equipment manufacturing contracts, TAPS will obtain title to property (i.e.., materials, work in progress, and finished goods) for which progress payments are made. Such title must be free of all encumbrances, or TAPS will secure a priority lien pursuant to Article 9 of the Uniform Commercial Code and applicable state law and local ordinances.

c. <u>Insurance Provisions</u> - The TAPS Board of Directors or their designee should determine when insurance is required and include in any solicitation and contract document a clause informing contractors of the minimum coverage requirements required by federal or State statutes. When FTA grant funds are used the minimum requirements shall be as follows:

(a) Workers Compensation and Employers Liability - $100,000,

(b) General Liability - $500,000 per occurrence,

(c) Property Liability as required by TAPS in special circumstances,

(d) Auto Liability for Personal Injury and Property Damage - $200,000 per person and $500,000 per occurrence for personal injury and $20,000 for property damage.

Insurance specifications shall provide that an insurance certificate be provided prior to contract work beginning and that, no less than 60 days prior to expiration of the insurance policy date, the contractor shall give notice to TAPS of his/her intent to provide a new certificate. The Chief Executive Officer or Procurement officer shall assure a current certificate is on file at all times during performance of the contract.

d. Contract Termination Provisions - All contracts funded in whole or in part with federal assistance and exceeding the micro-purchase threshold shall include the applicable contract provisions required by **2 CFR §200.326**, the **FTA Master Agreement**, and the **FTA Third Party Contracting Guidance**, including but not limited to provisions addressing access to records, remedies for breach of contract, and termination for cause and convenience.

The performance of work under a contract containing such provisions may be terminated in part or in whole when the TAPS Board of Directors or their designee, in consultation with counsel as necessary, determines that such termination is in the best interests of TAPS. Contracts may be terminated for convenience (i.e.., a reduced need or otherwise in the best interests of TAPS) or for default (i.e.., the contractor has failed to perform under the contract requirements). Contractors will not be granted the right of termination.

When the decision to terminate is made, a "Notice of Termination" shall be sent by the TAPS Board of Directors or their designee to the contractor by Certified Mail, with a return receipt requested. The Notice of Termination shall specify the reason for termination, the extent to which the performance of work is terminated (i.e., in whole or in part), and the day upon which such termination becomes effective. Settlement of claims shall be made as soon as possible after the issuance of a Notice of Termination/Default to protect the interests of and minimize the liability of TAPS. When settlement cannot be made, TAPS shall reserve the right to issue a determination of the amount due consistent with the termination clause and applicable cost principles, subject to appeal under the disputes provisions of the contract.

TAPS will consider a no-cost settlement instead of issuing a termination notice when it is known the contractor will accept one, TAPS's property was not furnished, and there are no outstanding payments, debts due TAPS, or other contractor obligations to TAPS.

e. Buy America Provisions - All procurements funded in whole or in part with Federal Transit Administration (FTA) assistance shall comply with Buy America requirements in **49 U.S.C. §5323(j)**, **49 CFR Part 661**, and the **FTA Master Agreement**.

For rolling stock purchases, including buses and paratransit vehicles, TAPS shall require that vehicles contain **at least seventy percent (70%) domestic content** and that **final assembly occur in the United States**, unless a waiver is granted by FTA.

For construction contracts, iron, steel, and manufactured products incorporated into the project shall be produced in the United States, unless an approved waiver applies.

All solicitations for federally funded procurements shall include the appropriate Buy America certification form. Each bidder or proposer shall submit a Buy America certification with its bid or proposal.

When a bidder cannot certify compliance, TAPS may request a Buy America waiver from FTA in accordance with **49 CFR §661.7**.

For rolling stock procurements, TAPS shall conduct required pre-award and post-delivery audits of the manufacturer's Buy America certification in accordance with **49 CFR Part 661 Subpart D**.

f. Federal Provisions and Required Contract Clauses

When Federal Transit Administration (FTA) operating or capital funds are used in a procurement, TAPS shall incorporate all applicable federal solicitation provisions and contract clauses required by **2 CFR §200.326**, the **FTA Master Agreement**, and applicable FTA guidance.

Required clauses vary based on contract type, funding source, and dollar threshold, and may differ for construction, non-construction, rolling stock, and professional service contracts.

Solicitations and contracts shall include **only those federal clauses applicable to the specific procurement**. Inapplicable clauses shall not be included in solicitation or contract documents.

Construction contracts shall additionally incorporate the federal labor and Buy America requirements described in Section 9 of this Manual.

All third-party contracts funded in whole or in part with federal assistance shall include provisions granting the federal government and its representatives access to records, remedies for breach, termination rights, and other required federal provisions as set forth in the FTA Master Agreement.

g. Recovered Materials Provision

§ 200.323 Procurement of recovered materials.
A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

10.6 Contract File Documentation

TAPS will comply with the requirements of Circular 4220.1G, Chapter I, Para. 3 (i) requiring maintenance of records sufficient to detail the significant history of a procurement. Contract files will be organized so as to allow a reviewer to reconstruct and understand the history of the contract in the absence of the contract administrator, and will provide complete background supporting the actions taken.

The extent of file documentation will vary with the complexity of purchase. At a minimum, small procurements made under purchase order procedures will include the following file documentation:

(1) Purchase requisition including independent cost estimate;

(2) List of sources solicited and abstract of offers received, including form of quotations received (book, telephone, fax, written, etc);

(3) Buy-America certificate and any other required submissions;

(4) Award and receiving documents.

Contract files for more complex procurements will contain some or all of the following, as appropriate to the procurement:

(1) Purchase requisition, acquisition planning information, and other pre-solicitation documents;

(2) Evidence of availability of funds;

(3) Rationale for method of procurement;

(4) List of sources solicited;

(5) Independent cost estimate;

(6) Scope of work or technical specifications;

(7) Copies of published notices;

(8) Copies of solicitation and all amendments;

(9) An abstract of offers or quotes;

(10) Contractor's certifications including a Buy America certification supporting every equipment, material or supply contract;

(11) Source selection documentation, if applicable;

(12) TAPS Board of Directors or their designee's determination of contractor responsibility;

(13) Records of contractor's compliance with labor policies, including EEO policies, as required by the contract;

(14) Determination that price is fair and reasonable including price analysis or cost analysis, with source materials of price analysis data or vendor certificates of current cost data;

(15) Required internal approvals;

(16) Notice of award;

(17) Notice to unsuccessful quotes or offerors;

(18) Bid, performance, payment or other bond documents and notices to sureties;

(19) Notice to proceed, stop orders, and any overtime premium approvals granted at time of award;

(20) Approvals or disapprovals for requests for waivers of deviations from contract documents;

(21) Documentation regarding timely close-out or any early termination actions for which the TAPS Board of Directors or their designee is responsible.

SECTION 11. PROTEST PROCEDURES

11.1 General

Protests may be made by prospective contractors, vendors or proposers whose direct economic interest would be affected by award of a contract or by failure to award a contract. TAPS will consider all protests requested in a timely manner regarding the award of a contract, whether submitted before or after an award.

All protests are to be submitted in writing to:

TAPS Public Transportation
6104 Texoma Parkway
Sherman, TX 75090

Protest submissions should be concise, logically arranged, and clearly state the grounds for protest. A protest must include at least the following information:

(a) Name, address, and telephone number of protestor,

(b) Identification of contract solicitation number,

(c) A detailed statement of the legal and factual grounds of the protest, including copies of relevant documents, and

(d) A statement as to what relief is requested.

Protests must be submitted to TAPS in accordance with these procedures and time requirements, must be complete and contain all issues that the protestor believes relevant.

In the procedures outlined below, the TAPS Board of Directors or their designee is considered to be the Contracting Officer.

11.2 Protests Before Bid Opening

Protests alleging restrictive specifications or improprieties which are apparent prior to bid opening or receipt of proposals must be submitted in writing to the Contracting Officer at the address above and must be received at least seven (7) days prior to bid opening or closing date for receipt of bids or proposals. If the written protest is not received by the time specified, bids or proposals may be received and award made in the normal manner unless the Contracting Officer determines that remedial action is required. Oral protests not followed up by a written protest will be disregarded. The Contracting Officer may request additional information from the appealing party and information or response from other bidders, which shall be submitted to the Contracting Officer not less than ten (10) days after the date of TAPS's request. So far as practicable, appeals will be decided based on the written appeal, information and written response submitted by the appealing party and other bidders. In failure of any party to timely respond to a request for information, it may be deemed by TAPS that such party does not desire to participate in the proceeding, does not contest the matter, or does not desire to submit a response, and in such a case, the protest will proceed and will not be delayed due to the lack of a response. Upon receipt and review of written submissions and any independent evaluation deemed appropriate by TAPS, the Contracting Officer shall either:

a) Render a final decision, or

b) At the sole election of the Contracting Officer, conduct an informal hearing at which the interested parties will be afforded opportunity to present their respective positions and facts, documents, justification, and technical information in support thereof. Parties may, but are not required to, be represented by counsel at the informal hearing, which will not be subject to formal rules of evidence or procedures. Following the informal hearing, if one is held, the Contracting Officer will render a decision, which shall be final, and notify all interested parties thereof in writing but no later than ten (10) days from the date of informal hearing.

11.3 Protests After Bid/Proposal Opening/Prior to Award

Protests against the making of an award by the TAPS must be submitted in writing to the Contracting Officer and received within seven (7) days of the award by the TAPS. Notice of the protest and the basis therefore will be given to all bidders or proposers. In addition, when a protest against the making of an award by the TAPS is received and it is determined to withhold the award pending disposition of the protest, the bidders or proposers whose bids or proposals might become eligible for award shall be requested, before expiration of the time for acceptance, to extend or to withdraw the bid. Where a written protest against the making of an award is received in the time period specified, award will not be made prior to seven (7) days after resolution of the protest unless TAPS determines that:

a) The items to be purchased are urgently required.

b) Delivery or performance will be unduly delayed by failure to make award promptly.

c) Failure to make award will otherwise cause undue harm to TAPS or the federal government.

11.4 Protests After Award

In instances where the award has been made, the Contractor shall be furnished with the notice of protest and the basis therefore. If the contractor has not executed the contract as of the date the protest is received by TAPS, the execution of the contract will not be made prior to seven (7) days after resolution of the protest unless TAPS determines that:

a) The items to be purchased are urgently required,

b) Delivery or performance will be unduly delayed by failure to make award promptly, or

c) Failure to make award will otherwise cause undue harm to TAPS or the federal government.

11.5 Decision

Any decision pertaining to a protest following the guidelines contained in this section is final.

11.6 Protests to Federal Transit Administration (FTA)

Under 2 CFR 200 right of bidders to protest the federal government was repealed.

11.7 Notice of Federal Changes

Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Agreement (Form FTA MA (2) dated October, 1995) between Purchaser and FTA, as they may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

TAPS FY26 BUDGET AMENDMENT

FY 2026 Operating Budget

Operating Revenues	FY 2026 Budget	FY 2026 Adj. Budget
FTA 5307 Urban	196,466	196,466
FTA 5307 CARES ACT	775,000	742,482
FTA 5311 Rural	981,783	756,651
FTA 5310 Elderly & Disabled	61,993	61,993
TX DOT Urban	196,466	196,466
TX DOT Rural	601,413	601,413
Operating Revenue	45,000	45,000
In-kind Contributions	16,200	16,200
Public Contributions	363,259	241,477
Total Revenues	3,237,580	2,858,148

Operating Expenses		
Transdev Fixed Cost	1,566,632	1,187,902
Transdev Variable Cost	1,397,334	1,396,633
service hours rate	55.73	
hours of service	*25,073*	*25,390*
Utilities	30,000	30,000
Fuel	195,000	195,000
Board Insurance	25,477	25,477
Rent - In-kind Expense	16,200	16,200
Miscellaneous-Accountin Software	6,936	6,936
Total Expenses	3,237,580	2,838,529
Net Income(Loss)	0	(0)

CAPITAL PROJECTS

FY 2026 CAPITAL PROJECTS REPORT

Capital Revenues	Budget	Actual YTD	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FTA 5307 Urban Area Formula (BLD)	379,985	-												
FTA 5307 Urban Area Formula (FR)	175,000	12,562	1,832	5,909	4,821									
FTA 5307 Urban Area Formula (SEC)	304,759	-												
TXDOT 5339 Capital Assistance (BLD)	280,733	98,417		66,205	11730	20,482								
~~TXDOT 5339 Capital Assistance (BLD)~~	~~500,000~~	-												
TXDOT Planning (TRCTPC) 5-Year HSTP	170,000	-												
TXDOT 5339 Joint Rolling Stock Procurer	304,208	-												
Total Revenues	2,114,685	110,979	1,832	72,114	16,551	20,482	-	-	-	-	-	-	-	-

Capital Purchases	Budget	Actual YTD	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FTA 5307 Urban Area Formula (BLD)	379,985	-												
FTA 5307 Urban Area Formula (FR)	175,000	12,562	1,832	5,909	4,821									
FTA 5307 Urban Area Formula (SEC)	304,759	-												
TXDOT 5339 Capital Assistance (BLD)	280,733	98,417		66,205	11,730	20,482								
~~TXDOT 5339 Capital Assistance (BLD)~~	~~500,000~~	-												
TXDOT Planning (TRCTPC) 5-Year HSTP	170,000													
TXDOT 5339 Joint Rolling Stock Procurer	304,208	-												
Total Expenses	2,114,685	110,979	1,832	72,114	16,551	20,482	-	-	-	-	-	-	-	-
Net Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-

MONTHLY
FINANCIAL UPDATE

TEXOMA AREA PARATRANSIT SYSTEM, INC
BOARD REPORT - BANK DETAIL

End of Month Totals
November 2025

Landmark Bank Acct # 6968	
Balance at 10/31/2025	$ 963,288.58
Deposits	191,782.70
Debits	(955,992.14)
Bank Interest	10.00
Account Balance at 11/30/2025	$ 199,089.14

Landmark Bank Acct # 9693	
Balance at 10/31/2025	$ 198,338.01
Deposits	395,003.00
Bank Fee	(10.00)
Bank Interest	68.27
Account Balance at 11/30/2025	$ 593,399.28

Checks/Debits	
Transdev September 25 Invoice	$ 256,733.07
Transdev October 25 Invoice	$ 285,284.85
TAPS Reserve Funds Transferred to Holding	$ 395,003.00
Four Feathers	$ 18,064.97
FTA Payment for Vehicle Disposal	$ 880.00
Fare Refund to Leslie Norman	$ 16.00
Bank Fees for Positive Pay	$ 10.25
	$ 955,992.14

Deposits/Credits	
TXDOT Reimbursements (Sep)	$ 183,053.00
Farebox	$ 2,729.70
Sundt Fountation Grant	$ 6,000.00
	$ 191,782.70

TEXOMA AREA PARATRANSIT SYSTEM, INC
BOARD REPORT - BANK DETAIL

End of Month Totals
December 2025

Landmark Bank Acct # 6968	
Balance at 11/30/2025	$ 199,089.14
Deposits	448,867.72
Debits	(320,018.89)
Bank Interest	15.01
Account Balance at 12/31/2025	$ 327,952.98

Landmark Bank Acct # 9693	
Balance at 11/30/2025	$ 593,399.28
Deposits	
Debits	
Bank Interest	75.60
Account Balance at 12/31/2025	$ 593,474.88

Checks/Debits	
Transdev November 25 Invoice	$ 268,444.98
KFH Group Nov/Dec (FRS, 5-Yr Plan, RFP)	$ 36,491.62
Huitt Zollars Building	$ 8,587.80
Cintas Fork Lift Training	$ 3,218.84
Four Feathers Security System	$ 3,063.65
TCEQ Annual Environmental	$ 200.00
Bank Charges	$ 12.00
	$ 320,018.89

Deposits/Credits	
FTA Reimbursements (Sep/Oct)	$ 176,270.00
TXDOT Reimbursements (Oct/Nov, Bldg)	$ 259,630.00
Farebox	$ 2,467.72
Local Contributions	$ 5,500.00
Tyson Grant	$ 5,000.00
	$ 448,867.72

TEXOMA AREA PARATRANSIT SYSTEM, INC
BOARD REPORT - BANK DETAIL

End of Month Totals
January 2026

Landmark Bank Acct # 6968		
Balance at 12/31/2025	$	327,952.98
Deposits		326,455.49
Debits		(311,832.34)
BANK INTEREST		17.08
Account Balance at 1/31/2026	$	342,593.21

Landmark Bank Acct # 9693		
Balance at 12/31/2025	$	593,474.88
Deposits		
Debits		
BANK INTEREST		78.05
Account Balance at 1/31/2026	$	593,552.93

Checks/Debits		
Transdev December 25 Invoice	$	282,040.58
Tricon (South Entry Gate)	$	19,457.00
KFH Group (FRS, 5-Yr Plan)	$	8,999.91
Blind Depot (Blinds for Reception)	$	1,024.85
Bank Charges	$	10.00
Petty Cash	$	300.00
	$	311,832.34

Deposits/Credits		
Farebox	$	2,125.16
Local Contributions	$	89,250.00
TXDOT Reimbursements (Dec Inv/Bldg)	$	229,088.00
FTA Reimbursements (FRS)	$	5,909.00
Grayson County UW	$	83.33
	$	326,455.49

Simmons Bank.
MEMBER FDIC | 866.246.2400

Date 11/28/25 Page 1
Primary Account XXXXXXXXXXXX6968
Enclosures 16

Texoma Area Paratransit System Inc
6104 Texoma Pkwy
Sherman TX 75090-2128

CHECKING ACCOUNTS

Business Pro Checking		Number of Enclosures	16
Account Number	XXXXXXXXXXXX6968	Statement Dates	11/03/25 thru 11/30/25
Previous Balance	963,288.58	Days in the statement period	28
14 Deposits/Credits	198,716.68	Average Ledger	290,699.55
14 Checks/Debits	962,926.12	Average Collected	290,483.76
Service Charge	.00	Interest Earned	10.00
Interest Paid	10.00	Annual Percentage Yield Earned	0.04%
Current Balance	199,089.14	2025 Interest Paid	165.55

Deposits and Additions

Date	Description	Amount
11/07	Deposit	739.50
11/13	Deposit	736.23
11/14	Positive Pay Return	392.75
11/14	Positive Pay Return	1,771.00
11/14	Positive Pay Return	250.00
11/14	Positive Pay Return	250.00
11/18	Positive Pay Return	470.23
11/21	INV-PAYMTS TX DEPT OF TRNSP 17521272678004 ISA~00~0000000000~00~000000000 0~ZZ~1746000089 ~ZZ~JPMORG AN CHASE ~251119~2125~U~00304~ 000000001~0~P~>\\ ST~820~003963860\\ BPR~X~75358~C~ACH~CTX~01~07110 0269~~~1746000089~~01~08290043 2~DA~00000000136906968~251121~ VEN\\ TRN~1~3963860\\ N1~PE~TEXOMA AREA PARATRANSIT SYSTEMINC~49~17521272678004\\ N1~PR~TX DEPT OF TRNSP~75~601\\ PER~CN~~TE~5124865633\\ ENT~1\\ RMR~IV~5121803262600114~AI~753 58\\ REF~43~95855707001\\ REF~CR~~OPERATING - 30.09.01\\ SE~11~003963860\\	75,358.00
11/21	INV-PAYMTS TX DEPT OF TRNSP 17521272678004	107,695.00

Simmons Bank.
MEMBER FDIC | 866.246.2400

Business Pro Checking XXXXXXXXXXXX6968 (Continued)

Deposits and Additions

Date	Description	Amount
	ISA~00~0000000000~00~000000000 0~ZZ~1746000089 ~ZZ~JPMORG AN CHASE ~251119~2125~U~00304~ 000000001~0~P~>\ ST~820~003963859\ BPR~X~107695~C~ACH~CTX~01~0711 00269~~~1746000089~~01~0829004 32~DA~0000000136906968~251121 ~VEN\ TRN~1~3963859\ N1~PE~TEXOMA AREA PARATRANSIT SYSTEM INC~49~17521272678004\ N1~PR~TX DEPT OF TRNSP~75~601\ PER~CN~~TE~5124865633\ ENT~1\ RMR~IV~5101803262502209~AI~107 695\ REF~43~95855706001\ REF~CR~~20.509 $71306 FORMULA GRANTS FOR RURAL AREAS\ SE~11~003963859\	
11/21	Deposit	667.46
11/25	Deposit	586.51
11/25	Deposit	6,000.00
11/28	Positive Pay Return	1,500.00
11/28	Positive Pay Return	2,300.00
11/30	Interest Deposit	10.00

Checks and Withdrawals

Date	Description	Amount
11/03	Transfer from x6968 to x9693 Debt Reserve to Hold	395,003.00-
11/05	Account Analysis Charge	10.25-
11/24	REFUNDS FTA GRANTEE 0000	880.00-

CHECKS IN NUMBER ORDER

Date	Check No	Amount	Date	Check No	Amount
11/03	1135	256,733.07	11/13	90691097*	392.75
11/04	1136	18,064.97	11/13	91691097*	1,771.00
11/04	1137	16.00	11/13	95821133*	250.00
11/24	1138	285,284.85	11/13	95821136*	250.00
11/26	1191*	1,500.00	11/17	95821599*	470.23
11/26	1995*	2,300.00			

*** Denotes skip in sequential check numbers**

Daily Balance Information

Date	Balance	Date	Balance	Date	Balance
11/03	311,552.51	11/14	294,937.02	11/25	199,079.14
11/04	293,471.54	11/17	294,466.79	11/26	195,279.14
11/05	293,461.29	11/18	294,937.02	11/28	199,079.14
11/07	294,200.79	11/21	478,657.48	11/30	199,089.14
11/13	292,273.27	11/24	192,492.63		

Thank you for banking with Simmons Bank.
***************************** END OF STATEMENT ********************************

Simmons Bank.
DEPOSIT TICKET
TRAN CODE ☑ CASH
CHECKS 1623 2.00
1624 2.00
~~734.00~~ 735.50
SIGN HERE FOR CASH RECEIVED
NAME TAPS
ADDRESS
CITY/STATE
DATE 11/6/25 BY
ACCOUNT NUMBER 136 906 968
TOTAL FROM OTHER SIDE
LESS CASH RECEIVED
NET DEPOSIT $ ~~738.00~~ 739.50
⑆5000⑉0121⑆

Deposit Date: 11/07 Amount: $739.50

Simmons Bank.
DEPOSIT TICKET
TRAN CODE ☑ CASH ~~744.00~~ 736.23
SIGN HERE FOR CASH RECEIVED
NAME TAPS
ADDRESS
CITY/STATE
DATE 11/11/25 BY
ACCOUNT NUMBER 136 906 968
TOTAL FROM OTHER SIDE
LESS CASH RECEIVED
NET DEPOSIT $ ~~744.00~~ 736.23
⑆5000⑉0121⑆

Deposit Date: 11/13 Amount: $736.23

Simmons Bank.
DEPOSIT TICKET
TRAN CODE ☑ CASH 648.66
CHECKS 1061 10.00
SIGN HERE FOR CASH RECEIVED
NAME TAPS
ADDRESS
CITY/STATE
DATE 11/20/25 BY
ACCOUNT NUMBER 136906968
TOTAL FROM OTHER SIDE
LESS CASH RECEIVED
NET DEPOSIT $ ~~658.66~~ 667.46
⑆5000⑉0121⑆

Deposit Date: 11/21 Amount: $667.46

Simmons Bank.
DEPOSIT TICKET
TRAN CODE ☑ CASH 602.00
SIGN HERE FOR CASH RECEIVED
NAME TAPS
ADDRESS
CITY/STATE
DATE 11/24/25 BY
ACCOUNT NUMBER 136 906 968
TOTAL FROM OTHER SIDE
LESS CASH RECEIVED
NET DEPOSIT $ ~~602.00~~
AB 586.51
⑆5000⑉0121⑆

Deposit Date: 11/25 Amount: $586.51

Simmons Bank.
DEPOSIT TICKET
TRAN CODE ☑ CASH
CHECKS 92330 6000.00
SIGN HERE FOR CASH RECEIVED
NAME TAPS
ADDRESS
CITY/STATE
DATE 11/24/25 BY
ACCOUNT NUMBER 136906968
TOTAL FROM OTHER SIDE
LESS CASH RECEIVED
NET DEPOSIT $ 6000.00
⑆5000⑉0121⑆

Deposit Date: 11/25 Amount: $6,000.00

1135
TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2126
Simmons Bank 1135
81-43/829
DATE AMOUNT
****Two Hundred Fifty Six Thousand Seven Hundred Thirty Three and 07/100 Dollars
10/27/2025 $256,733.07
PAY
TO THE ORDER OF: TRANSDEV SERVICES INC.
4157 COLLECTION CENTER DRIVE
CHICAGO, IL 60693
USA
AUTHORIZED SIGNATURE
⑈001135⑈ ⑆082900432⑆ 136906968⑈

Check 1135 Date: 11/03 Amount: $256,733.07

1136
TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2126
Simmons Bank 1136
81-43/829
DATE AMOUNT
****Eighteen Thousand Sixty Four and 97/100 Dollars
10/27/2025 $18,064.97
PAY
TO THE ORDER OF: Four Feathers Alarm
3821 Pottsboro Rd #137
Denison, TX 75020
AUTHORIZED SIGNATURE
⑈001136⑈ ⑆082900432⑆ 136906968⑈

Check 1136 Date: 11/04 Amount: $18,064.97

1137
TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2126
Simmons Bank 1137
81-43/829
DATE AMOUNT
****Sixteen and 00/100 Dollars
10/27/2025 $16.00
PAY
TO THE ORDER OF: LESLIE NORMAN
608 LINE DR
Gainesville, TX 76240
AUTHORIZED SIGNATURE
⑈001137⑈ ⑆082900432⑆ 136906968⑈

Check 1137 Date: 11/04 Amount: $16.00

1138
TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2126
Simmons Bank 1138
81-43/829
DATE AMOUNT
****Two Hundred Eighty Five Thousand Two Hundred Eighty Four and 85/100 Dollars
11/19/2025 $285,284.85
PAY
TO THE ORDER OF: TRANSDEV SERVICES INC.
4157 COLLECTION CENTER DRIVE
CHICAGO, IL 60693
USA
AUTHORIZED SIGNATURE
⑈001138⑈ ⑆082900432⑆ 136906968⑈

Check 1138 Date: 11/24 Amount: $285,284.85

1191
TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2126
Simmons Bank 1191
81-43/829
DATE 11/24/2025
One Thousand Five Hundred and 00/100***** $1,500.00
PAY
TO THE ORDER OF Beverly Royal
AUTHORIZED SIGNATURE
⑈001191⑈ ⑆082900432⑆ 136906968⑈

Check 1191 Date: 11/26 Amount: $1,500.00

1995
TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2126
Simmons Bank
81-43/829
DATE AMOUNT
11/25/2025
PAY **Two Thousand Three Hundred and 00/100 Dollars $2,300.00
TO THE ORDER OF: KRYSTAL LEE GONSALVES
AUTHORIZED SIGNATURE
⑈001995⑈ ⑆082900432⑆ 136906968⑈

Check 1995 Date: 11/26 Amount: $2,300.00

90691097
TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2126
Simmons Bank 90691097
81-43/829
DATE AMOUNT
Three hundred ninety-two and 75/100
11/12/2025 $***392.75
PAY
TO THE ORDER OF: Samantha Pickett
AUTHORIZED SIGNATURE
⑈90691097⑈ ⑆082900432⑆ 136906968⑈

Check 90691097 Date: 11/13 Amount: $392.75

91691097

TEXOMA AREA PARATRANSIT SYSTEM INC

Simmons Bank

91691097

11/12/2025

$***1771.00

PAY ***One thousand seven hundred seventy-one and 00/100***

TO THE ORDER OF Qail Ahmed Ibrahim

⑈91691097⑈ ⑆082900432⑆ 136906960⑈

Check 91691097 Date: 11/13 Amount: $1,771.00

95821133

TEXOMA AREA PARATRANSIT SYSTEM INC

Simmons Bank

95821133

11/13/2025

$**250.00

PAY ***two hundred fifty and 00/100***

TO THE ORDER OF Allysa M Wedrick

⑈95821133⑈ ⑆082900432⑆ 136906960⑈

Check 95821133 Date: 11/13 Amount: $250.00

95821136

TEXOMA AREA PARATRANSIT SYSTEM INC

Simmons Bank

95821136

11/13/2025

$**250.00

PAY ***two hundred fifty and 00/100***

TO THE ORDER OF Allysa M Wedrick

⑈95821136⑈ ⑆082900432⑆ 136906960⑈

Check 95821136 Date: 11/13 Amount: $250.00

95821599

TEXOMA AREA PARATRANSIT SYSTEM INC

Simmons Bank

95821599

11/14/2025

$****470.23

PAY *** Four Hundred Seventy & 23/100 Dollars***************

TO THE ORDER OF Enjeune Williams

⑈95821599⑈ ⑆082900432⑆ 136906960⑈

Check 95821599 Date: 11/17 Amount: $470.23

ADDRESS OR NAME CHANGES – You are responsible for notifying us of any change in your address or your name. Unless we agree otherwise, change of address or name must be made in writing by at least one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent address you have provided to us. If we receive returned mail, we may impose a service fee.

IF YOUR ADDRESS IS INCORRECT, MARK THROUGH THE ADDRESS SHOWN ON THE FRONT OF THIS STATEMENT. COMPLETE THE FORM AT THE RIGHT, DETACH AND MAIL TO P. O. BOX 7009, PINE BLUFF, AR 71603-7009.

PLEASE CHANGE MY ADDRESS TO:		
STREET		
CITY	STATE	ZIP CODE
EFFECTIVE DATE	SIGNATURE	

PLEASE CHANGE MY ADDRESS ON FOLLOWING ACCOUNTS.

List all accounts you want changed. We will change only the accounts you indicate since some customers prefer to maintain separate account addresses.

TYPE OF ACCOUNT	CHECKING	SAVINGS	LOAN	CD	ATM / DEBIT CARD	OTHER
ACCOUNT NUMBER						
ACCOUNT NUMBER						

PLEASE EXAMINE YOUR STATEMENT PROMPTLY AND NOTIFY US OF ANY ERRORS

RECONCILEMENT INFORMATION

These 6 Fast, Easy Steps Will Reconcile The Balance Shown On This Statement With The Balance Shown In Your Checkbook

(1) Balance now shown in your checking.. $__________
(2) Add interest shown on the statement .... $__________
(3) Subtract bank charges included in this statement. (be sure to enter any Bank charges and unrecorded checks in your checkbook).. $__________

NEW BALANCE SHOWN IN YOUR CHECKBOOK.................... $__________

(4) Last balance shown on this statement.. $__________
(5) Add total of those deposits which have been made and shown in your checkbook, but not yet shown on this statement.. $__________

SUB-TOTALS $__________

(6) List outstanding checks below (checks which are shown in your checkbook, but not yet paid by the bank.)

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
		TOTAL	$

SUBTRACT THIS TOTAL OF OUTSTANDING $__________
CHECKS FROM SUB-TOTAL ABOVE $__________

THESE TWO FIGURES SHOULD BE THE SAME

If they are not the same, recheck your figures. If still not the same, please call Customer Service.

1-866 246 2400 Toll Free

ELECTRONIC TRANSFER ERROR RESOLUTION NOTICE *(CONSUMER ACCOUNTS ONLY)*

In case of Errors or Questions about your Electronic Transfer, call us at 1-866-246-2400 or write to us at P. O. Box 7009. Pine Bluff, AR 71611-7009, as soon as you can, if you think your statement or receipt is wrong, or if you need more information about a transfer listed on a statement or a receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared .

(1) Tell us your name and account number (if any).
(2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
(3) Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation.

Simmons Bank.
MEMBER FDIC | 866.246.2400

Date 11/28/25 Page 1
Primary Account XXXXXXXXXXXX9693
Enclosures

Texoma Area Paratransit System Inc
6104 Texoma Pkwy
Sherman TX 75090-2128

CHECKING ACCOUNTS

Money Market Savings Business		Number of Enclosures	0
Account Number	XXXXXXXXXXXX9693	Statement Dates	11/03/25 thru 11/30/25
Previous Balance	198,338.01	Days in the statement period	28
1 Deposits/Credits	395,003.00	Average Ledger	593,331.72
1 Checks/Debits	10.00	Average Collected	593,331.72
Service Charge	.00	Interest Earned	68.27
Interest Paid	68.27	Annual Percentage Yield Earned	0.15%
Current Balance	593,399.28	2025 Interest Paid	317.52

Deposits and Additions

Date	Description	Amount
11/03	Transfer from x6968 to x9693 Debt Reserve to Hold	395,003.00
11/30	Interest Deposit	68.27

Checks and Withdrawals

Date	Description	Amount
11/05	Account Analysis Charge	10.00-

Daily Balance Information

Date	Balance	Date	Balance	Date	Balance
11/03	593,341.01	11/05	593,331.01	11/30	593,399.28

Thank you for banking with Simmons Bank.
**************************** END OF STATEMENT *******************************

ADDRESS OR NAME CHANGES – You are responsible for notifying us of any change in your address or your name. Unless we agree otherwise, change of address or name must be made in writing by at least one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent address you have provided to us. If we receive returned mail, we may impose a service fee.

IF YOUR ADDRESS IS INCORRECT, MARK THROUGH THE ADDRESS SHOWN ON THE FRONT OF THIS STATEMENT. COMPLETE THE FORM AT THE RIGHT, DETACH AND MAIL TO P. O. BOX 7009, PINE BLUFF, AR 71603-7009.

PLEASE CHANGE MY ADDRESS TO:		
STREET		
CITY	STATE	ZIP CODE
EFFECTIVE DATE	SIGNATURE	

PLEASE CHANGE MY ADDRESS ON FOLLOWING ACCOUNTS.

List all accounts you want changed. We will change only the accounts you indicate since some customers prefer to maintain separate account addresses.

TYPE OF ACCOUNT	CHECKING	SAVINGS	LOAN	CD	ATM / DEBIT CARD	OTHER
ACCOUNT NUMBER						
ACCOUNT NUMBER						

PLEASE EXAMINE YOUR STATEMENT PROMPTLY AND NOTIFY US OF ANY ERRORS

RECONCILEMENT INFORMATION

These 6 Fast, Easy Steps Will Reconcile The Balance Shown On This Statement With The Balance Shown In Your Checkbook

(1) Balance now shown in your checking.. $__________

(2) Add interest shown on the statement .... $__________

(3) Subtract bank charges included in this statement. (be sure to enter any Bank charges and unrecorded checks in your checkbook).. $__________

NEW BALANCE SHOWN IN YOUR CHECKBOOK.................... $__________

(4) Last balance shown on this statement.. $__________

(5) Add total of those deposits which have been made and shown in your checkbook, but not yet shown on this statement.. $__________

SUB-TOTALS $__________

(6) List outstanding checks below (checks which are shown in your checkbook, but not yet paid by the bank.)

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
		TOTAL	$

SUBTRACT THIS TOTAL OF OUTSTANDING CHECKS FROM SUB-TOTAL ABOVE $__________ $__________

THESE TWO FIGURES SHOULD BE THE SAME

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Simmons Bank.
MEMBER FDIC | 866.246.2400

Date 12/31/25 Page 1
Primary Account XXXXXXXXXXXX6968
Enclosures 16

Texoma Area Paratransit System Inc
6104 Texoma Pkwy
Sherman TX 75090-2128

CHECKING ACCOUNTS

Business Pro Checking		Number of Enclosures	16
Account Number	XXXXXXXXXXXX6968	Statement Dates	12/01/25 thru 12/31/25
Previous Balance	199,089.14	Days in the statement period	31
20 Deposits/Credits	448,867.72	Average Ledger	360,953.71
9 Checks/Debits	320,018.89	Average Collected	360,769.34
Service Charge	.00	Interest Earned	15.01
Interest Paid	15.01	Annual Percentage Yield Earned	0.05%
Current Balance	327,952.98	2025 Interest Paid	180.56

Deposits and Additions

Date	Description	Amount
12/02	Deposit	3,000.00
12/03	MISC PAY DAFS TREAS 310 752127267690800	42,505.00
12/03	MISC PAY DAFS TREAS 310 752127267690800	88,456.00
12/04	MISC PAY DAFS TREAS 310 752127267690800	1,832.00
12/04	Deposit	560.32
12/09	Deposit	145.50
12/11	INV-PAYMTS TX DEPT OF TRNSP 17521272678004 ISA~00~0000000000~00~000000000 0~ZZ~1746000089 ~ZZ~JPMORG AN CHASE ~251209~2103~U~00304~ 000000001~0~P~>\ ST~820~004129898\ BPR~X~9191~C~ACH~CTX~01~071100 269~~~1746000089~~01~082900432 ~DA~000000000136906968~251211~V EN\ TRN~1~4129898\ N1~PE~TEXOMA AREA PARATRANSIT SYSTEM INC~49~17521272678004\ N1~PR~TX DEPT OF TRNSP~75~601\ PER~CN~~TE~5124865633\ ENT~1\ RMR~IV~5100802262500063~AI~919 1\ REF~43~95885648001\ REF~CR~~20.505 $9191 METROPOLI TAN TRANSPORTATION PLANNING\	9,191.00

Business Pro Checking XXXXXXXXXXXX6968 (Continued)

Deposits and Additions

Date	Description	Amount
	SE~11~004129898\	
12/12	INV-PAYMTS TX DEPT OF TRNSP 17521272678004 ISA~00~0000000000~00~000000000 0~ZZ~1746000089 ~ZZ~JPMORG AN CHASE ~251210~2120~U~00304~ 000000001~0~P~>\ ST~820~004140581\ BPR~X~1107~C~ACH~CTX~01~071100 269~~~1746000089~~01~082900432 ~DA~00000000136906968~251212~V EN\ TRN~1~4140581\ N1~PE~TEXOMA AREA PARATRANSIT SYSTEM INC~49~17521272678004\ N1~PR~TX DEPT OF TRNSP~75~601\ PER~CN~~TE~5124865633\ ENT~1\ RMR~IV~5100801262600199~AI~110 7\ REF~43~95888233001\ REF~CR~~20.505 $1107 METROPOLI TAN TRANSPORTATION PLANNING\ SE~11~004140581\	1,107.00
12/12	INV-PAYMTS TX DEPT OF TRNSP 17521272678004 ISA~00~0000000000~00~000000000 0~ZZ~1746000089 ~ZZ~JPMORG AN CHASE ~251210~2120~U~00304~ 000000001~0~P~>\ ST~820~004140580\ BPR~X~18065~C~ACH~CTX~01~07110 0269~~~1746000089~~01~08290043 2~DA~00000000136906968~251212~ VEN\ TRN~1~4140580\ N1~PE~TEXOMA AREA PARATRANSIT SYSTEMINC~49~17521272678004\ N1~PR~TX DEPT OF TRNSP~75~601\ PER~CN~~TE~5124865633\ ENT~1\ RMR~IV~51003F2262402219~AI~180 65\ REF~43~95888232001\ REF~CR~~20.526 $18065 BUS AND BUS FACILITIES FORMULA\ SE~11~004140580\	18,065.00
12/12	INV-PAYMTS TX DEPT OF TRNSP 17521272678004 ISA~00~0000000000~00~000000000 0~ZZ~1746000089 ~ZZ~JPMORG AN CHASE ~251210~2120~U~00304~ 000000001~0~P~>\ ST~820~004140571\ BPR~X~42505~C~ACH~CTX~01~07110 0269~~~1746000089~~01~08290043 2~DA~00000000136906968~251212~ VEN\ TRN~1~4140571\ N1~PE~TEXOMA AREA PARATRANSIT SYSTEMINC~49~17521272678004\ N1~PR~TX DEPT OF TRNSP~75~601\ PER~CN~~TE~5124865633\	42,505.00

Business Pro Checking XXXXXXXXXXXX6968 (Continued)

Deposits and Additions

Date	Description	Amount
	ENT~1\ RMR~IV~5130902262600189~AI~425 05\ REF~43~95888223001\ REF~CR~~OPERATING - 30.09.01\ SE~11~004140571\	
12/12	INV-PAYMTS TX DEPT OF TRNSP 17521272678004 ISA~00~0000000000~00~000000000 0~ZZ~1746000089 ~ZZ~JPMORG AN CHASE ~251210~2120~U~00304~ 000000001~0~P~>\ ST~820~004140570\ BPR~X~81442~C~ACH~CTX~01~07110 0269~~~1746000089~~01~08290043 2~DA~00000000136906968~251212~ VEN\ TRN~1~4140570\ N1~PE~TEXOMA AREA PARATRANSIT SYSTEMINC~49~17521272678004\ N1~PR~TX DEPT OF TRNSP~75~601\ PER~CN~~TE~5124865633\ ENT~1\ RMR~IV~5121803262600188~AI~814 42\ REF~43~95888222001\ REF~CR~~OPERATING - 30.09.01\ SE~11~004140570\	81,442.00
12/12	INV-PAYMTS TX DEPT OF TRNSP 17521272678004 ISA~00~0000000000~00~000000000 0~ZZ~1746000089 ~ZZ~JPMORG AN CHASE ~251210~2120~U~00304~ 000000001~0~P~>\ ST~820~004140569\ BPR~X~107320~C~ACH~CTX~01~0711 00269~~~1746000089~~01~0829004 32~DA~00000000136906968~251212 ~VEN\ TRN~1~4140569\ N1~PE~TEXOMA AREA PARATRANSIT SYSTEM INC~49~17521272678004\ N1~PR~TX DEPT OF TRNSP~75~601\ PER~CN~~TE~5124865633\ ENT~1\ RMR~IV~5101803262502290~AI~107 320\ REF~43~95888221001\ REF~CR~~20.509 $79613 FORMULA GRANTS FOR RURAL AREAS\ SE~11~004140569\	107,320.00
12/15	Deposit	406.00
12/17	Deposit	644.40
12/22	Deposit	2,500.00
12/23	Deposit	661.50
12/29	Deposit	50.00
12/30	EDI PAYMNT AMER ONLINE GIV1 1R7N6W4UB2 REF*TN*1R7N6W4UB2*Donation fro m AOGFcauses.benevity.org - 1R 7N6W4UB2\	5,000.00
12/30	MISC PAY DAFS TREAS 310 752127267690800	7,380.00
12/30	MISC PAY DAFS TREAS 310 752127267690800	36,097.00

Business Pro Checking XXXXXXXXXXXX6968 (Continued)

Deposits and Additions

Date	Description	Amount
12/31	Interest Deposit	15.01

Checks and Withdrawals

Date	Description	Amount
12/05	Account Analysis Charge	12.00-

CHECKS IN NUMBER ORDER

Date	Check No	Amount	Date	Check No	Amount	Date	Check No	Amount
12/02	1139	23,655.33	12/24	1142	200.00	12/23	1145	2,112.86
12/19	1140	268,444.98	12/29	1143	8,587.80	12/30	1146	12,836.29
12/30	1141	3,218.84	12/23	1144	950.79			

* Denotes skip in sequential check numbers

Daily Balance Information

Date	Balance	Date	Balance	Date	Balance
12/01	199,089.14	12/11	321,111.63	12/23	304,253.90
12/02	178,433.81	12/12	571,550.63	12/24	304,053.90
12/03	309,394.81	12/15	571,956.63	12/29	295,516.10
12/04	311,787.13	12/17	572,601.03	12/30	327,937.97
12/05	311,775.13	12/19	304,156.05	12/31	327,952.98
12/09	311,920.63	12/22	306,656.05		

Thank you for banking with Simmons Bank.

*************************** END OF STATEMENT *****************************

Simmons Bank. DEPOSIT TICKET
NAME TAPS
DATE 12/1/25
ACCOUNT NUMBER 136906968
CHECKS 5941 3000.00
NET DEPOSIT $ 3000.00

Deposit Date: 12/02 Amount: $3,000.00

Simmons Bank. DEPOSIT TICKET
NAME TAPS
DATE 12/3/25
ACCOUNT NUMBER 136906968
CASH 560.32
NET DEPOSIT $ ~~560.62~~ 560.32
.30 cents short

Deposit Date: 12/04 Amount: $560.32

Simmons Bank. DEPOSIT TICKET
NAME TAPS
DATE 12/9/25
ACCOUNT NUMBER 136906968
CHECKS 11041 145.50
NET DEPOSIT $ 145.50

Deposit Date: 12/09 Amount: $145.50

Simmons Bank. DEPOSIT TICKET
NAME TAPS
DATE 12/12/2025
ACCOUNT NUMBER 136906968
CASH 406.00
NET DEPOSIT $ 406.00

Deposit Date: 12/15 Amount: $406.00

Simmons Bank. DEPOSIT TICKET
NAME TAPS
DATE 12/16/25
ACCOUNT NUMBER 136906968
CASH 643.90
NET DEPOSIT $ ~~643.90~~ 644.40 AB

Deposit Date: 12/17 Amount: $644.40

Simmons Bank. DEPOSIT TICKET
NAME TAPS
DATE 12/22/25
ACCOUNT NUMBER 136906968
CHECKS 8071 2500.00
NET DEPOSIT $ 2500.00

Deposit Date: 12/22 Amount: $2,500.00

Simmons Bank. DEPOSIT TICKET
NAME TAPS
DATE 12/22/25
ACCOUNT NUMBER 136906968
CASH 656.50
CHECKS 1081 20.00
NET DEPOSIT $ ~~676.50~~ 661.50 AB

Deposit Date: 12/23 Amount: $661.50

Simmons Bank. DEPOSIT TICKET
NAME TAPS
DATE 12/29/25
ACCOUNT NUMBER 136906968
CHECKS Moneypot 50.00
NET DEPOSIT $ 50.00

Deposit Date: 12/29 Amount: $50.00

TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2128
Simmons Bank 81-43/829
1139

****Twenty Three Thousand Six Hundred Fifty Five and 33/100 Dollars

DATE 11/19/2025 AMOUNT $23,655.33

PAY TO THE ORDER OF: KFH Group, Incorporated
9200 Corporate Blvd
Suite 330
Rockville, MD 20850

AUTHORIZED SIGNATURE

⑈001139⑈ ⑆082900432⑆ 136906968⑈

Check 1139 Date: 12/02 Amount: $23,655.33

TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2128
Simmons Bank 81-43/829
1140

****Two Hundred Sixty Eight Thousand Four Hundred Forty Four and 98/100 Dollars

DATE 12/17/2025 AMOUNT $268,444.98

PAY TO THE ORDER OF: TRANSDEV SERVICES INC.
4157 COLLECTION CENTER DRIVE
CHICAGO, IL 60693
USA

AUTHORIZED SIGNATURE

⑈001140⑈ ⑆082900432⑆ 136906968⑈

Check 1140 Date: 12/19 Amount: $268,444.98

TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2128
Simmons Bank 81-43/829
1141

****Three Thousand Two Hundred Eighteen and 84/100 Dollars

DATE 12/17/2025 AMOUNT $3,218.84

PAY TO THE ORDER OF: Cintas Corp
PO Box 630910
Cincinnati, OH 45263

AUTHORIZED SIGNATURE

⑈001141⑈ ⑆082900432⑆ 136906968⑈

Check 1141 Date: 12/30 Amount: $3,218.84

TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2128
Simmons Bank 81-43/829
1142

****Two Hundred and 00/100 Dollars

DATE 12/17/2025 AMOUNT $200.00

PAY TO THE ORDER OF: TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
FINANCIAL ADMINISTRATION DIVISION
CASHIER'S OFFICE, MC-214
P.O. BOX 13088
AUSTIN, Texas 78711-3088
USA

AUTHORIZED SIGNATURE

⑈001142⑈ ⑆082900432⑆ 136906968⑈

Check 1142 Date: 12/24 Amount: $200.00

1143

TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2126

Simmons Bank

81-43/829

1143

****Eight Thousand Five Hundred Eighty Seven and 80/100 Dollars

DATE 12/17/2025 AMOUNT $8,587.80

PAY TO THE ORDER OF: HUITT-ZOLLARS INC
5430 Lyndon B Johnson Freeway Suite 1500
Dallas, Texas 75240
USA

AUTHORIZED SIGNATURE

⑈001143⑈ ⑆082900432⑆ 136906968⑈

Check 1143 Date: 12/29 Amount: $8,587.80

1144

TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2126

Simmons Bank

81-43/829

1144

****Nine Hundred Fifty and 79/100 Dollars

DATE 12/17/2025 AMOUNT $950.79

PAY TO THE ORDER OF: Four Feathers Alarm
3621 Pottsboro Rd #137
Denison, TX 75020

AUTHORIZED SIGNATURE

⑈001144⑈ ⑆082900432⑆ 136906968⑈

Check 1144 Date: 12/23 Amount: $950.79

1145

TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2126

Simmons Bank

81-43/829

1145

****Two Thousand One Hundred Twelve and 86/100 Dollars

DATE 12/17/2025 AMOUNT $2,112.86

PAY TO THE ORDER OF: Four Feathers Alarm
3621 Pottsboro Rd #137
Denison, TX 75020

AUTHORIZED SIGNATURE

⑈001145⑈ ⑆082900432⑆ 136906968⑈

Check 1145 Date: 12/23 Amount: $2,112.86

1146

TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2126

Simmons Bank

81-43/829

1146

****Twelve Thousand Eight Hundred Thirty Six and 29/100 Dollars

DATE 12/17/2025 AMOUNT $12,836.29

PAY TO THE ORDER OF: KFH Group, Incorporated
9200 Corporate Blvd
Suite 330
Rockville, MD 20850

AUTHORIZED SIGNATURE

⑈001146⑈ ⑆082900432⑆ 136906968⑈

Check 1146 Date: 12/30 Amount: $12,836.29

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PLEASE CHANGE MY ADDRESS TO:		
STREET		
CITY	STATE	ZIP CODE
EFFECTIVE DATE	SIGNATURE	

PLEASE CHANGE MY ADDRESS ON FOLLOWING ACCOUNTS.

List all accounts you want changed. We will change only the accounts you indicate since some customers prefer to maintain separate account addresses.

TYPE OF ACCOUNT	CHECKING	SAVINGS	LOAN	CD	ATM / DEBIT CARD	OTHER
ACCOUNT NUMBER						
ACCOUNT NUMBER						

PLEASE EXAMINE YOUR STATEMENT PROMPTLY AND NOTIFY US OF ANY ERRORS

RECONCILEMENT INFORMATION

These 6 Fast, Easy Steps Will Reconcile The Balance Shown On This Statement With The Balance Shown In Your Checkbook

(1) Balance now shown in your checking.. $____________

(2) Add interest shown on the statement .... $____________

(3) Subtract bank charges included in this statement. (be sure to enter any Bank charges and unrecorded checks in your checkbook).. $____________

NEW BALANCE SHOWN IN YOUR CHECKBOOK.................... $____________

(4) Last balance shown on this statement.. $____________

(5) Add total of those deposits which have been made and shown in your checkbook, but not yet shown on this statement.. $____________

SUB-TOTALS $____________

(6) List outstanding checks below (checks which are shown in your checkbook, but not yet paid by the bank.)

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
		TOTAL	$

SUBTRACT THIS TOTAL OF OUTSTANDING $____________
CHECKS FROM SUB-TOTAL ABOVE $____________

THESE TWO FIGURES SHOULD BE THE SAME

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Simmons Bank
MEMBER FDIC | 866.246.2400

Date 12/31/25 Page 1
Primary Account XXXXXXXXXXXX9693
Enclosures

Texoma Area Paratransit System Inc
6104 Texoma Pkwy
Sherman TX 75090-2128

CHECKING ACCOUNTS

Money Market Savings Business		Number of Enclosures	0
Account Number	XXXXXXXXXXXX9693	Statement Dates	12/01/25 thru 12/31/25
Previous Balance	593,399.28	Days in the statement period	31
Deposits/Credits	.00	Average Ledger	593,399.28
Checks/Debits	.00	Average Collected	593,399.28
Service Charge	.00	Interest Earned	75.60
Interest Paid	75.60	Annual Percentage Yield Earned	0.15%
Current Balance	593,474.88	2025 Interest Paid	393.12

Deposits and Additions

Date	Description	Amount
12/31	Interest Deposit	75.60

Daily Balance Information

Date	Balance	Date	Balance
12/01	593,399.28	12/31	593,474.88

Thank you for banking with Simmons Bank.

*************************** END OF STATEMENT *****************************

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STREET		
CITY	STATE	ZIP CODE
EFFECTIVE DATE	SIGNATURE	

PLEASE CHANGE MY ADDRESS ON FOLLOWING ACCOUNTS.

List all accounts you want changed. We will change only the accounts you indicate since some customers prefer to maintain separate account addresses.

TYPE OF ACCOUNT	CHECKING	SAVINGS	LOAN	CD	ATM / DEBIT CARD	OTHER
ACCOUNT NUMBER						
ACCOUNT NUMBER						

PLEASE EXAMINE YOUR STATEMENT PROMPTLY AND NOTIFY US OF ANY ERRORS

RECONCILEMENT INFORMATION

These 6 Fast, Easy Steps Will Reconcile The Balance Shown On This Statement With The Balance Shown In Your Checkbook

(1) Balance now shown in your checking.. $__________

(2) Add interest shown on the statement .... $__________

(3) Subtract bank charges included in this statement. (be sure to enter any Bank charges and unrecorded checks in your checkbook).. $__________

NEW BALANCE SHOWN IN YOUR CHECKBOOK.................... $__________

(4) Last balance shown on this statement.. $__________

(5) Add total of those deposits which have been made and shown in your checkbook, but not yet shown on this statement.. $__________

SUB-TOTALS $__________

(6) List outstanding checks below (checks which are shown in your checkbook, but not yet paid by the bank.)

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
		TOTAL	$

SUBTRACT THIS TOTAL OF OUTSTANDING CHECKS FROM SUB-TOTAL ABOVE $__________ $__________

THESE TWO FIGURES SHOULD BE THE SAME

If they are not the same, recheck your figures. If still not the same, please call Customer Service.

1-866 246 2400 Toll Free

ELECTRONIC TRANSFER ERROR RESOLUTION NOTICE *(CONSUMER ACCOUNTS ONLY)*

In case of Errors or Questions about your Electronic Transfer, call us at 1-866-246-2400 or write to us at P. O. Box 7009. Pine Bluff, AR 71611-7009, as soon as you can, if you think your statement or receipt is wrong, or if you need more information about a transfer listed on a statement or a receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared .

(1) Tell us your name and account number (if any).

(2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.

(3) Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation.

Simmons Bank.
MEMBER FDIC | 866.246.2400

Texoma Area Paratransit System Inc
6104 Texoma Pkwy
Sherman TX 75090-2128

CHECKING ACCOUNTS

Business Pro Checking		Number of Enclosures	17
Account Number	XXXXXXXXXXXX6968	Statement Dates	1/01/26 thru 2/01/26
Previous Balance	327,952.98	Days in the statement period	32
20 Deposits/Credits	331,505.49	Average Ledger	391,036.62
10 Checks/Debits	316,882.34	Average Collected	389,751.35
Service Charge	.00	Interest Earned	17.08
Interest Paid	17.08	Annual Percentage Yield Earned	0.05%
Current Balance	342,593.21	2026 Interest Paid	17.08

Deposits and Additions

Date	Description	Amount
1/05	Deposit	729.91
1/07	INV-PAYMTS TX DEPT OF TRNSP 17521272678004 ISA~00~0000000000~00~000000000 0~ZZ~1746000089 ~ZZ~JPMORG AN CHASE ~260105~2059~U~00304~ 000000001~0~P~>\ ST~820~004968507\ BPR~X~36097~C~ACH~CTX~01~07110 0269~~~1746000089~~01~08290043 2~DA~00000000136906968~260107~ VEN\ TRN~1~4968507\ N1~PE~TEXOMA AREA PARATRANSIT SYSTEMINC~49~17521272678004\ N1~PR~TX DEPT OF TRNSP~75~601\ PER~CN~~TE~5124865633\ ENT~1\ RMR~IV~5130902262600297~AI~360 97\ REF~43~95926468001\ REF~CR~~OPERATING - 30.09.01\ SE~11~004968507\	36,097.00
1/07	INV-PAYMTS TX DEPT OF TRNSP 17521272678004 ISA~00~0000000000~00~000000000 0~ZZ~1746000089 ~ZZ~JPMORG AN CHASE ~260105~2059~U~00304~ 000000001~0~P~>\ ST~820~004968506\ BPR~X~78135~C~ACH~CTX~01~07110	78,135.00

Simmons Bank.
MEMBER FDIC | 866.246.2400

Business Pro Checking XXXXXXXXXXXX6968 (Continued)

Deposits and Additions

Date	Description	Amount
	0269~~~1746000089~~01~08290043 2~DA~00000000136906968~260107~ VEN\\ TRN~1~4968506\\ N1~PE~TEXOMA AREA PARATRANSIT SYSTEMINC~49~17521272678004\\ N1~PR~TX DEPT OF TRNSP~75~601\\ PER~CN~~TE~5124865633\\ ENT~1\\ RMR~IV~5121803262600296~AI~781 35\\ REF~43~95926467001\\ REF~CR~~OPERATING - 30.09.01\\ SE~11~004968506\\	
1/07	INV-PAYMTS TX DEPT OF TRNSP 17521272678004 ISA~00~0000000000~00~000000000 0~ZZ~1746000089 ~ZZ~JPMORG AN CHASE ~260105~2059~U~00304~ 000000001~0~P~>\\ ST~820~004968505\\ BPR~X~101477~C~ACH~CTX~01~0711 00269~~~1746000089~~01~0829004 32~DA~00000000136906968~260107 ~VEN\\ TRN~1~4968505\\ N1~PE~TEXOMA AREA PARATRANSIT SYSTEM INC~49~17521272678004\\ N1~PR~TX DEPT OF TRNSP~75~601\\ PER~CN~~TE~5124865633\\ ENT~1\\ RMR~IV~5101803262502393~AI~101 477\\ REF~43~95926466001\\ REF~CR~~20.509 $77382 FORMULA GRANTS FOR RURAL AREAS\\ SE~11~004968505\\	101,477.00
1/08	MISC PAY DAFS TREAS 310 752127267690800	5,909.00
1/08	Deposit	305.49
1/12	Deposit	70.50
1/15	25-26Grant UNITED WAY OF GR TAPS	83.33
1/16	AP EFT CITYOFDENISON VEN02869	15,750.00
1/16	Deposit	284.50
1/20	Deposit	134.50
1/20	Deposit	36,000.00
1/21	Deposit	37,500.00
1/21	Positive Pay Return	2,400.00
1/22	INV-PAYMTS TX DEPT OF TRNSP 17521272678004 ISA~00~0000000000~00~000000000 0~ZZ~1746000089 ~ZZ~JPMORG AN CHASE ~260120~2110~U~00304~ 000000001~0~P~>\\ ST~820~005719301\\ BPR~X~1649~C~ACH~CTX~01~071100 269~~~1746000089~~01~082900432 ~DA~00000000136906968~260122~V EN\\ TRN~1~5719301\\ N1~PE~TEXOMA AREA PARATRANSIT SYSTEM INC~49~17521272678004\\	1,649.00

Business Pro Checking XXXXXXXXXXXX6968 (Continued)

Deposits and Additions

Date	Description	Amount
	N1~PR~TX DEPT OF TRNSP~75~601\ PER~CN~~TE~5124865633\ ENT~1\ RMR~IV~5100801262600339~AI~164 9\ REF~43~95949362001\ REF~CR~~20.505 $1649 METROPOLI TAN TRANSPORTATION PLANNING\ SE~11~005719301\	
1/22	INV-PAYMTS TX DEPT OF TRNSP 17521272678004 ISA~00~0000000000~00~000000000 0~ZZ~1746000089 ~ZZ~JPMORG AN CHASE ~260120~2110~U~00304~ 000000001~0~P~>\ ST~820~005719302\ BPR~X~11730~C~ACH~CTX~01~07110 0269~~~1746000089~~01~08290043 2~DA~0000000136906968~260122~ VEN\ TRN~1~5719302\ N1~PE~TEXOMA AREA PARATRANSIT SYSTEMINC~49~17521272678004\ N1~PR~TX DEPT OF TRNSP~75~601\ PER~CN~~TE~5124865633\ ENT~1\ RMR~IV~51003F2262402227~AI~117 30\ REF~43~95949363001\ REF~CR~~20.526 $11730 BUS AND BUS FACILITIES FORMULA\ SE~11~005719302\	11,730.00
1/22	Deposit	600.26
1/22	Positive Pay Return	900.00
1/22	Positive Pay Return	800.00
1/23	Positive Pay Return	950.00
2/01	Interest Deposit	17.08

Checks and Withdrawals

Date	Description	Amount
1/05	Account Analysis Charge	10.00-

CHECKS IN NUMBER ORDER

Date	Check No	Amount	Date	Check No	Amount	Date	Check No	Amount
1/23	1147	1,024.85	1/22	1150	19,457.00	1/20	1902*	2,400.00
1/23	1148	8,999.91	1/15	1151	300.00	1/21	1942*	800.00
1/16	1149	282,040.58	1/21	1344*	900.00	1/22	2644*	950.00

* Denotes skip in sequential check numbers

Daily Balance Information

Date	Balance	Date	Balance	Date	Balance
1/01	327,952.98	1/12	550,666.88	1/21	356,378.63
1/05	328,672.89	1/15	550,450.21	1/22	351,650.89
1/07	544,381.89	1/16	284,444.13	1/23	342,576.13
1/08	550,596.38	1/20	318,178.63	2/01	342,593.21

Thank you for banking with Simmons Bank.

*************************** END OF STATEMENT *****************************

Simmons Bank.

DEPOSIT TICKET
TRAN CODE CASH 627.41

CHECKS 1028 30.00
1203 25.00

SIGN HERE FOR CASH RECEIVED
NAME TAPS
ADDRESS
CITY/STATE
DATE 1/2/26 BY
ACCOUNT NUMBER 136906968

TOTAL FROM OTHER SIDE
LESS CASH RECEIVED
NET DEPOSIT $ ~~732.41~~ 729.91

⑆5000⑈0121⑆

Deposit Date: 01/05 Amount: $729.91

Simmons Bank.

DEPOSIT TICKET
TRAN CODE CASH 305.50

SIGN HERE FOR CASH RECEIVED
NAME TAPS
ADDRESS
CITY/STATE
DATE 1/7/26 BY
ACCOUNT NUMBER 136906968

TOTAL FROM OTHER SIDE
LESS CASH RECEIVED
NET DEPOSIT $ ~~305.50~~ 305.49

⑆5000⑈0121⑆

Deposit Date: 01/08 Amount: $305.49

Simmons Bank.

DEPOSIT TICKET
TRAN CODE CASH

CHECKS 16241 70.50

SIGN HERE FOR CASH RECEIVED
NAME TAPS
ADDRESS
CITY/STATE
DATE 1/12/2025 BY
ACCOUNT NUMBER 136906968

TOTAL FROM OTHER SIDE
LESS CASH RECEIVED
NET DEPOSIT $ 70.50

⑆5000⑈0121⑆

Deposit Date: 01/12 Amount: $70.50

Simmons Bank.

DEPOSIT TICKET
TRAN CODE CASH 284.50

SIGN HERE FOR CASH RECEIVED
NAME TAPS
ADDRESS
CITY/STATE
DATE 1/15/2025 BY
ACCOUNT NUMBER 136906968

TOTAL FROM OTHER SIDE
LESS CASH RECEIVED
NET DEPOSIT $ 284.50

⑆5000⑈0121⑆

Deposit Date: 01/16 Amount: $284.50

Simmons Bank.

DEPOSIT TICKET
TRAN CODE CASH

CHECKS 245834 21000.00
524923 15000.00

SIGN HERE FOR CASH RECEIVED
NAME TAPS
ADDRESS
CITY/STATE
DATE 1/20/2026 BY
ACCOUNT NUMBER 136906968

TOTAL FROM OTHER SIDE
LESS CASH RECEIVED
NET DEPOSIT $ 36000.00

⑆5000⑈0121⑆

Deposit Date: 01/20 Amount: $36,000.00

Simmons Bank.

DEPOSIT TICKET
TRAN CODE CASH 134.50

SIGN HERE FOR CASH RECEIVED
NAME TAPS
ADDRESS
CITY/STATE
DATE 1/15/2025 BY
ACCOUNT NUMBER 136906968

TOTAL FROM OTHER SIDE
LESS CASH RECEIVED
NET DEPOSIT $ 134.50

⑆5000⑈0121⑆

Deposit Date: 01/20 Amount: $134.50

Simmons Bank.

DEPOSIT TICKET
TRAN CODE CASH

CHECKS 516514 16250.00
516515 16250.00
5000.00

SIGN HERE FOR CASH RECEIVED
NAME TAPS
ADDRESS
CITY/STATE
DATE 1/21/2026 BY
ACCOUNT NUMBER 136906968

TOTAL FROM OTHER SIDE
LESS CASH RECEIVED
NET DEPOSIT $ 37500.00

⑆5000⑈0121⑆

Deposit Date: 01/21 Amount: $37,500.00

Simmons Bank.

DEPOSIT TICKET
TRAN CODE CASH 600.25

CHECKS 1005 3.00

SIGN HERE FOR CASH RECEIVED
NAME TAPS
ADDRESS
CITY/STATE
DATE 1/21/2026 BY
ACCOUNT NUMBER 136906968

TOTAL FROM OTHER SIDE
LESS CASH RECEIVED
NET DEPOSIT $ ~~609.25~~ 600.26

⑆5000⑈0121⑆

Deposit Date: 01/22 Amount: $600.26

1147

TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2128

Simmons Bank
81-43/829

1147

****One Thousand Twenty Four and 85/100 Dollars

DATE AMOUNT
1/14/2026 $1,024.85

PAY
TO THE ORDER OF: Blind Depot
1335 W. Campbell RD
Richardson, TX 75080

AUTHORIZED SIGNATURE

⑈001147⑈ ⑆082900432⑆ 136906968⑈

Check 1147 Date: 01/23 Amount: $1,024.85

1148

TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2128

Simmons Bank
81-43/829

1148

****Eight Thousand Nine Hundred Ninety Nine and 91/100 Dollars

DATE AMOUNT
1/14/2026 $8,999.91

PAY
TO THE ORDER OF: KFH Group, Incorporated
9200 Corporate Blvd
Suite 330
Rockville, MD 20850

AUTHORIZED SIGNATURE

⑈001148⑈ ⑆082900432⑆ 136906968⑈

Check 1148 Date: 01/23 Amount: $8,999.91

1149

TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2128

Simmons Bank
81-43/829

1149

****Two Hundred Eighty Two Thousand Forty and 58/100 Dollars

DATE AMOUNT
1/14/2026 $282,040.58

PAY
TO THE ORDER OF: TRANSDEV SERVICES INC.
4157 COLLECTION CENTER DRIVE
CHICAGO, IL 60693
USA

AUTHORIZED SIGNATURE

⑈001149⑈ ⑆082900432⑆ 136906968⑈

Check 1149 Date: 01/16 Amount: $282,040.58

1150

TEXOMA AREA PARATRANSIT SYSTEM INC
PH. 903-893-4601
6104 TEXOMA PKWY
SHERMAN, TX 75090-2128

Simmons Bank
81-43/829

1150

****Nineteen Thousand Four Hundred Fifty Seven and 00/100 Dollars

DATE AMOUNT
1/14/2026 $19,457.00

PAY
TO THE ORDER OF: Tricon Sherman
1728 Alpine Drive
Sherman, Tex 75092

AUTHORIZED SIGNATURE

⑈001150⑈ ⑆082900432⑆ 136906968⑈

Check 1150 Date: 01/22 Amount: $19,457.00

TEXOMA AREA PARATRANSIT SYSTEM INC
PH 844-503-6048
6104 TEXOMA PARKWAY
SHERMAN, TX 75090-2128

DL: 102 60996
0711311904
0711312082

SIMMONS BANK

1151

DATE 1151

AMOUNT

****Three Hundred and 00/100 Dollars $

1/14/2026 $300.00

PAY TO THE ORDER OF
Karen L Kemp
2908 W Day
Denison, TX 76020

AUTHORIZED SIGNATURE

⑈001151⑈ ⑆082900432⑆ 136906968⑈

Check 1151 Date: 01/15 Amount: $300.00

TEXOMA AREA PARATRANSIT SYSTEM INC
6104 TEXOMA PKWY
SHERMAN, TX 75090-2128

Simmons Bank

81-43/829

1902

Two Thousand Four Hundred And 00/100 Dollars DATE 01/20/2026 AMOUNT $2,400.00

PAY TO THE ORDER OF Brionne Gibson

⑈001902⑈ ⑆082900432⑆ 136906968⑈

Check 1902 Date: 01/20 Amount: $2,400.00

TEXOMA AREA PARATRANSIT SYSTEM INC
6104 TEXOMA PKWY
SHERMAN, TX 75090-2128

Simmons Bank

81-43/829

2644

DATE 01/21/2026 AMOUNT $950.00

Nine Hundred And Fifty 00/100 Dollars

PAY TO THE ORDER OF
Ever Leandro Trinidad Montero
2 Lawrence St
Yonkers NY,10705

AUTHORIZED SIGNATURE

⑈002644⑈ ⑆082900432⑆ 136906968⑈

Check 2644 Date: 01/22 Amount: $950.00

TEXOMA AREA PARATRANSIT SYSTEM INC
6104 TEXOMA PKWY
SHERMAN, TX 75090-2128

Simmons Bank

81-43/829

1344

Dollars DATE 01/20/2026 AMOUNT $900.00

Nine Hundred And 00/100

PAY TO THE ORDER OF Edmundo Gonzalo

AUTHORIZED SIGNATURE

⑈001344⑈ ⑆082900432⑆ 136906968⑈

Check 1344 Date: 01/21 Amount: $900.00

TEXOMA AREA PARATRANSIT SYSTEM INC
6104 TEXOMA PKWY
SHERMAN, TX 75090-2128

Simmons Bank

81-43/829

1942

Dollars DATE 01/20/2026 AMOUNT $800.00

Eight Hundred And 00/100

PAY TO THE ORDER OF Edmundo Gonzalo

AUTHORIZED SIGNATURE

⑈001942⑈ ⑆082900432⑆ 136906968⑈

Check 1942 Date: 01/21 Amount: $800.00

ADDRESS OR NAME CHANGES – You are responsible for notifying us of any change in your address or your name. Unless we agree otherwise, change of address or name must be made in writing by at least one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent address you have provided to us. If we receive returned mail, we may impose a service fee.

IF YOUR ADDRESS IS INCORRECT, MARK THROUGH THE ADDRESS SHOWN ON THE FRONT OF THIS STATEMENT. COMPLETE THE FORM AT THE RIGHT, DETACH AND MAIL TO P. O. BOX 7009, PINE BLUFF, AR 71603-7009.

PLEASE CHANGE MY ADDRESS TO:		
STREET		
CITY	STATE	ZIP CODE
EFFECTIVE DATE	SIGNATURE	

PLEASE CHANGE MY ADDRESS ON FOLLOWING ACCOUNTS.

List all accounts you want changed. We will change only the accounts you indicate since some customers prefer to maintain separate account addresses.

TYPE OF ACCOUNT	CHECKING	SAVINGS	LOAN	CD	ATM / DEBIT CARD	OTHER
ACCOUNT NUMBER						
ACCOUNT NUMBER						

PLEASE EXAMINE YOUR STATEMENT PROMPTLY AND NOTIFY US OF ANY ERRORS

RECONCILEMENT INFORMATION

These 6 Fast, Easy Steps Will Reconcile The Balance Shown On This Statement With The Balance Shown In Your Checkbook

(1) Balance now shown in your checking.. $__________

(2) Add interest shown on the statement .... $__________

(3) Subtract bank charges included in this statement. (be sure to enter any Bank charges and unrecorded checks in your checkbook).. $__________

NEW BALANCE SHOWN IN YOUR CHECKBOOK.................... $__________

(4) Last balance shown on this statement.. $__________

(5) Add total of those deposits which have been made and shown in your checkbook, but not yet shown on this statement... $__________

SUB-TOTALS $__________

(6) List outstanding checks below (checks which are shown in your checkbook, but not yet paid by the bank.)

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
		TOTAL	$

SUBTRACT THIS TOTAL OF OUTSTANDING CHECKS FROM SUB-TOTAL ABOVE $__________ $__________

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Simmons Bank.
MEMBER FDIC | 866.246.2400

Date 1/30/26 Page 1
Primary Account XXXXXXXXXXXX9693
Enclosures

Texoma Area Paratransit System Inc
6104 Texoma Pkwy
Sherman TX 75090-2128

CHECKING ACCOUNTS

Money Market Savings Business		Number of Enclosures	0
Account Number	XXXXXXXXXXXX9693	Statement Dates	1/01/26 thru 2/01/26
Previous Balance	593,474.88	Days in the statement period	32
Deposits/Credits	.00	Average Ledger	593,474.88
Checks/Debits	.00	Average Collected	593,474.88
Service Charge	.00	Interest Earned	78.05
Interest Paid	78.05	Annual Percentage Yield Earned	0.15%
Current Balance	593,552.93	2026 Interest Paid	78.05

Deposits and Additions

Date	Description	Amount
2/01	Interest Deposit	78.05

Daily Balance Information

Date	Balance	Date	Balance
1/01	593,474.88	2/01	593,552.93

Thank you for banking with Simmons Bank.

************************** **END OF STATEMENT** ****************************

ADDRESS OR NAME CHANGES – You are responsible for notifying us of any change in your address or your name. Unless we agree otherwise, change of address or name must be made in writing by at least one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent address you have provided to us. If we receive returned mail, we may impose a service fee.

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STREET			
CITY		STATE	ZIP CODE
EFFECTIVE DATE	SIGNATURE		

PLEASE CHANGE MY ADDRESS ON FOLLOWING ACCOUNTS.

List all accounts you want changed. We will change only the accounts you indicate since some customers prefer to maintain separate account addresses.

TYPE OF ACCOUNT	CHECKING	SAVINGS	LOAN	CD	ATM / DEBIT CARD	OTHER
ACCOUNT NUMBER						
ACCOUNT NUMBER						

PLEASE EXAMINE YOUR STATEMENT PROMPTLY AND NOTIFY US OF ANY ERRORS

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FY 2026 OPERATING FINANCIAL REPORT

Operating Revenues	FY 2026 Budget	Actual YTD	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FTA 5307 Urban	196,466	125,517	42,505	36,097	38,289	8,626								
FTA 5307 CARES ACT	775,000	30,171	8,072	7,380	7,380	7,339								
FTA 5311 Rural	981,783	364,773	107,320	101,477	103,512	52,464								
FTA 5310 Elderly & Disabled	61,993	61,993	-			61,993								
TX DOT Urban	196,466	150,314	42,505	36,097	38,289	33,423								
TX DOT Rural	601,413	311,800	81,442	78,135	85,553	66,670								
Operating Revenue	45,000	14,337	3,343	4,154	3,800	3,041								
In-kind Contributions	16,200	5,400	1,350	1,350	1,350	1,350								
Public Contributions	363,341	124,333	47,625	6,000	5,500	65,208								
Miscellaneous	-	24,977	13,602	6,189	5,091	95								
Total Revenues	3,237,662	1,213,615	347,764	276,879	288,764	300,209	-	-	-	-	-	-	-	-

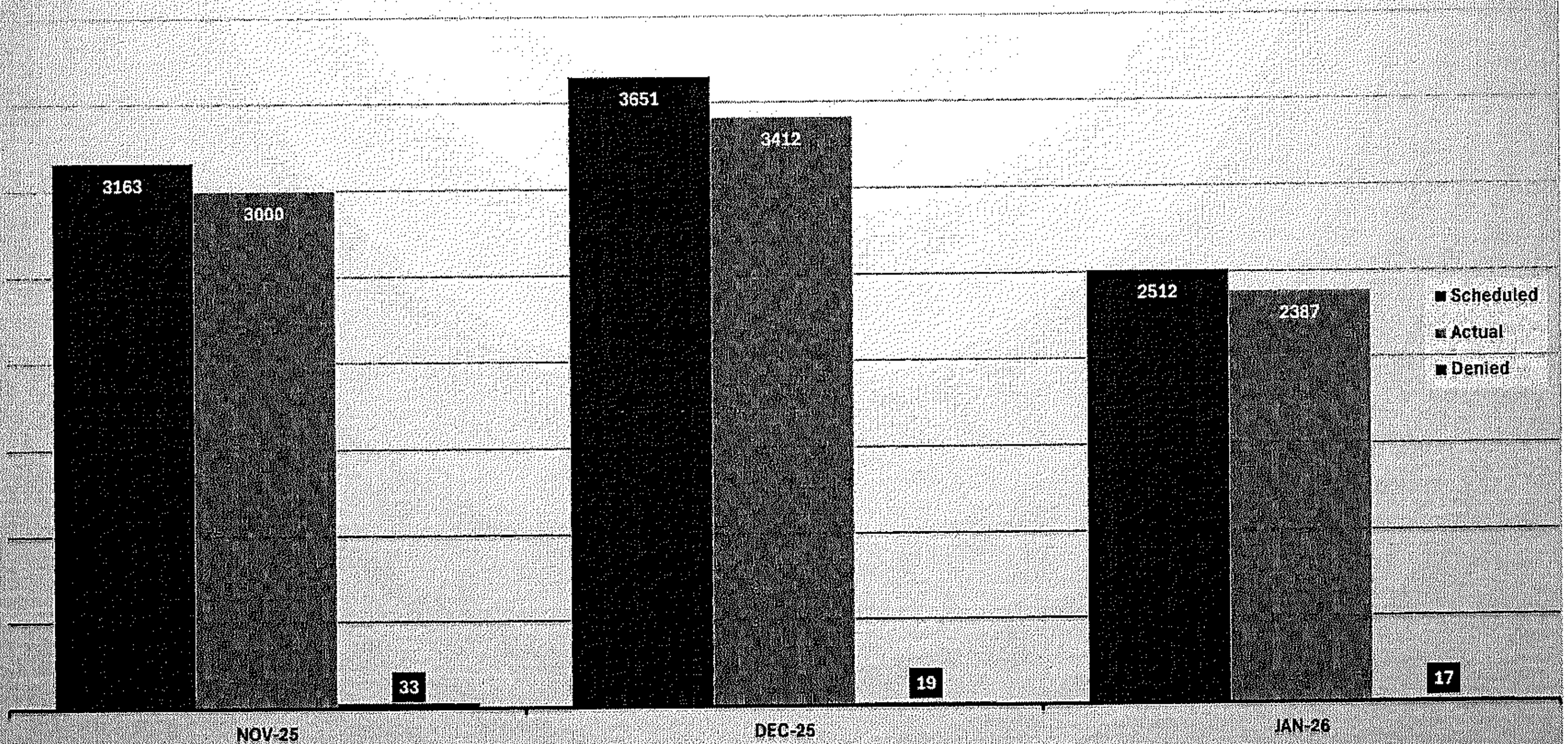
Operating Expenses	FY 2026 Budget	Actual YTD	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Transdev Fixed Cost	1,566,632	522,211	130,553	130,553	130,553	130,553								
Transdev Variable Cost	1,397,417	487,430	137,359	120,916	135,766	93,390								
hours of service	*25,073*	8,746	*2,465*	*2,170*	*2,436*	*1,676*								
Utilities	30,000	17,359	4,028	3,191	5,127	5,014								
Fuel	195,000	46,123	12,626	13,129	9,904	10,464								
Board Insurance	25,477	8,492	2,123	2,123	2,123	2,123								
Rent - In-kind Expense	16,200	5,400	1,350	1,350	1,350	1,350								
Accounting Software	6,936	2,315	579	579	579	579								
Miscellaneous	-	16,620	3,515	12,676	325	104						-		
Total Expenses	3,237,662	1,105,951	292,132	284,517	285,726	243,576	-	-	-	-	-	-	-	-
Net Income(Loss)	-	107,664	55,631	(7,638)	3,038	56,633	-	-	-	-	-	-	-	-
		122.69	115.46	123.42	115.49	142.87	-	-	-	-	-	-	-	-

AP Aging as of 1/31/26

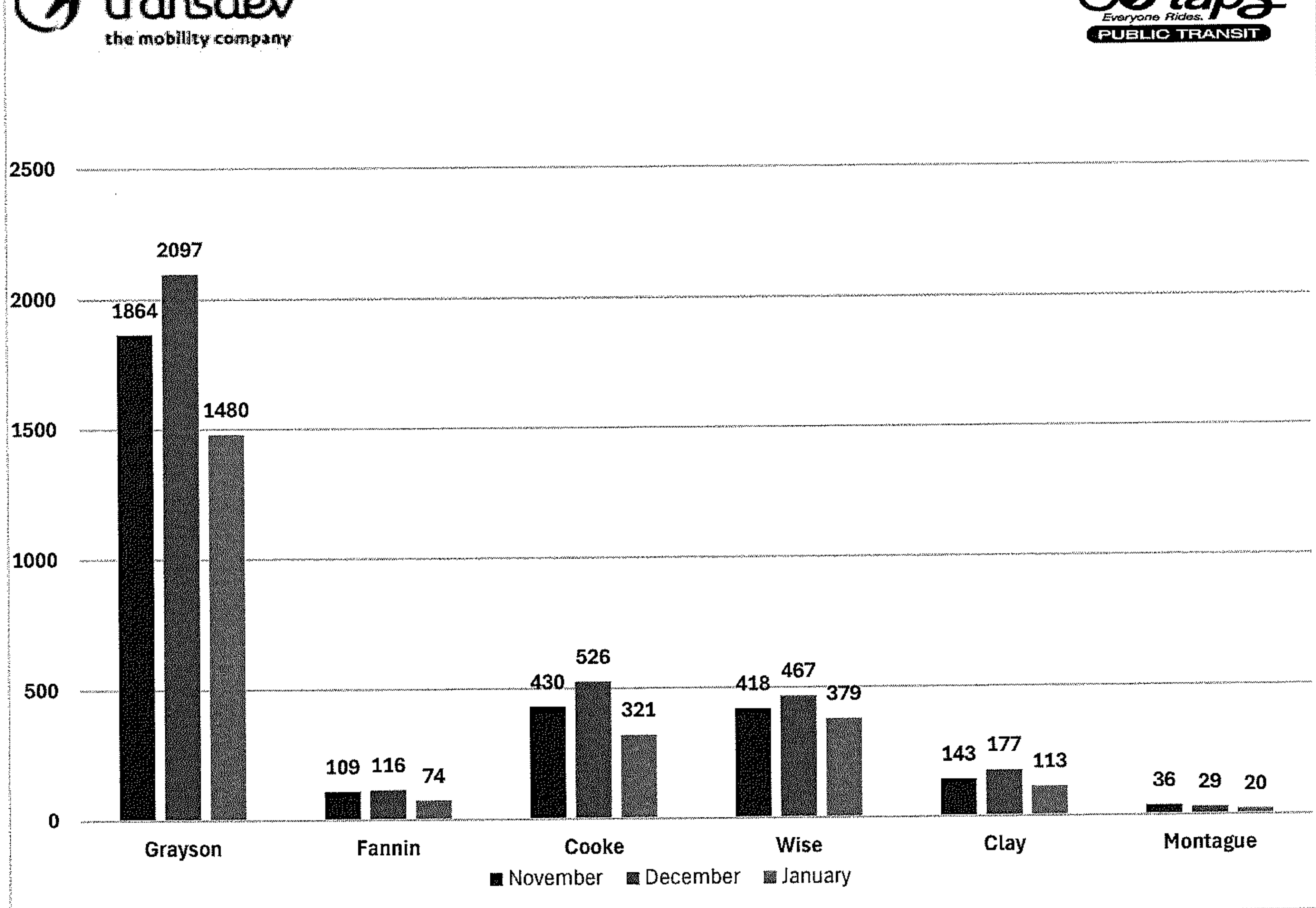
Transdev Oustanding	240,092.87
Plyler Construction	128,699.85
Other Outstanding debt	645,847.54
	1,014,640.26

MONTHLY OPERATIONAL UPDATE

Operational Update



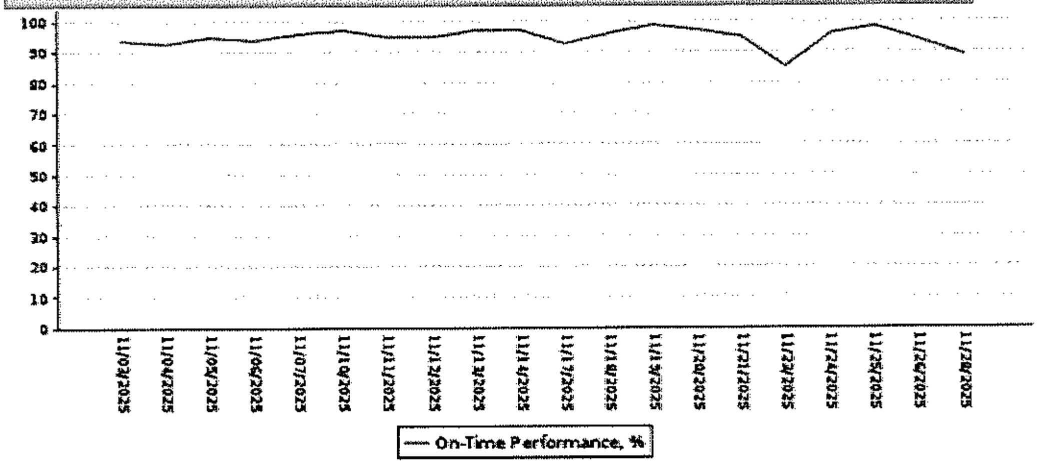
TRIPS BY COUNTY



	Scheduled Trips	Actual Trips	% Taken	Denied Trip Request	Miles	Hours	Trips/ Hour	Miles/ Trip	Direct Op Cost	Cost/ Trip	MPH
Jan-25	3,424	3,260	95%	112	39,706	2,036	1.60	12.18	$ 205,611	$ 63.07	19.50
Feb-25	3,076	2,934	95%	144	35,195	1,795	1.63	12.00	$ 181,329	$ 61.80	19.60
Mar-25	3,652	3,485	95%	42	41,131	2,175	1.91	11.80	$ 219,705	$ 63.04	18.91
Apr-25	4,078	3,879	95%	12	43,062	2,126	1.82	11.10	$ 214,732	$ 55.36	20.25
May-25	3,691	3,512	95%	32	37,798	2,032	1.73	10.76	$ 205,246	$ 58.44	18.60
Jun-25	3,121	2,961	95%	172	32,599	1,716	1.73	11.01	$ 173,330	$ 58.54	19.00
Jul-25	3,042	2,877	95%	310	32,315	1,760	1.63	11.23	$ 177,786	$ 61.80	18.36
Aug-25	3,201	3,073	96%	258	34,689	1,940	1.58	11.29	$ 195,926	$ 63.76	17.88
Sep-25	3,623	3,445	95%	151	37,599	2,095	1.64	10.91	$ 211,601	$ 61.42	17.95
Oct-25	4,072	3,834	94%	60	44,353	2,441	1.57	11.57	$ 246,547	$ 64.31	18.17
Nov-25	3,163	3,000	95%	33	33,491	2,155	1.80	11.16	217.667.12	$ 72.56	15.54
Dec-25	3,651	3,412	93%	19	38,162	2,420	1.41	11.18	$ 244,446	$ 71.64	15.77
Jan-26	2,512	2,387	95%	17	27,215	1,664	1.43	11.40	$ 168,013	$ 70.39	16.36
Average	3,408	3,235	95%	105	36,716	2,027.40	1.60	11.35	$ 196,820	$ 63.55	18.15

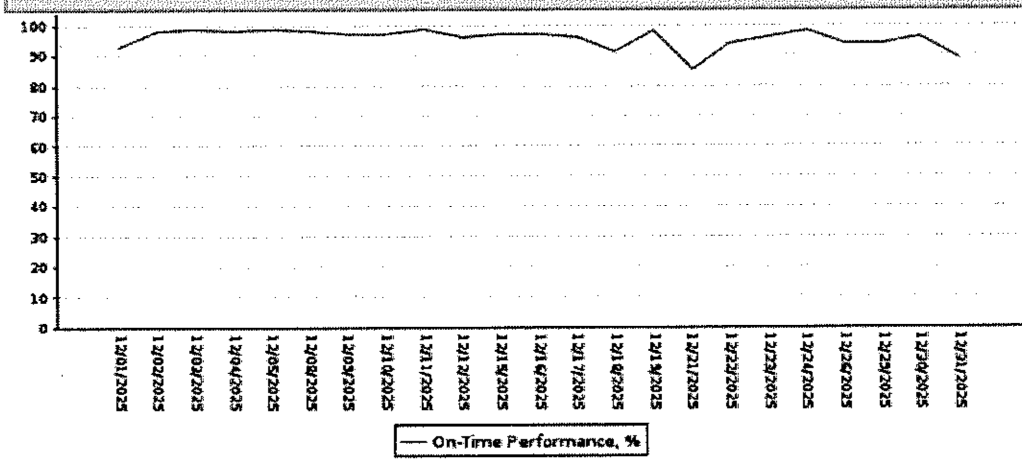
Nov-25	Totals Scheduled	Actual	% taken	miles	hours	Trips/ hour	Miles/ trip	Direct Op Cost	Cost/trip	% of trip	% of hrs	MPH	Trip Denials
Grayson	1964	1864	95%	15656.52	1,036.45	1.80	8.40	104,681.45	56.16	62%	48%	15.11	27
Grayson Urban	**1480**	**1401**	**95%**	**9776.63**	**688.23**	**2.04**	**6.98**	**69,511.23**	**49.62**	**47%**	**32%**	**14.21**	**18**
Grayson Rural	484	463	96%	5879.89	348.22	1.33	12.70	35,170.22	75.96	15%	16%	16.89	9
Fannin	114	109	96%	3066.79	111.94	0.97	28.14	11,305.94	103.72	4%	5%	27.40	0
Cooke	457	430	94%	2620.99	310.70	1.38	6.10	31,380.70	72.98	14%	14%	8.44	2
Wise	449	418	93%	7075.35	384.69	1.09	16.93	38,853.69	92.95	14%	18%	18.39	3
Clay	143	143	100%	3104.11	228.64	0.63	21.71	23,092.64	161.49	5%	11%	13.58	1
Montague	36	36	100%	1966.89	82.70	0.44	54.64	8,352.70	232.02	1%	4%	23.78	0
Monthly Total	**3163**	**3000**	**95%**	**33490.65**	**2,155.12**	**1.39**	**11.16**	**217,667.12**	**72.56**	**100%**	**100%**	**15.54**	**33**

Summary:	2886	2739	147	2764	122	95.77%



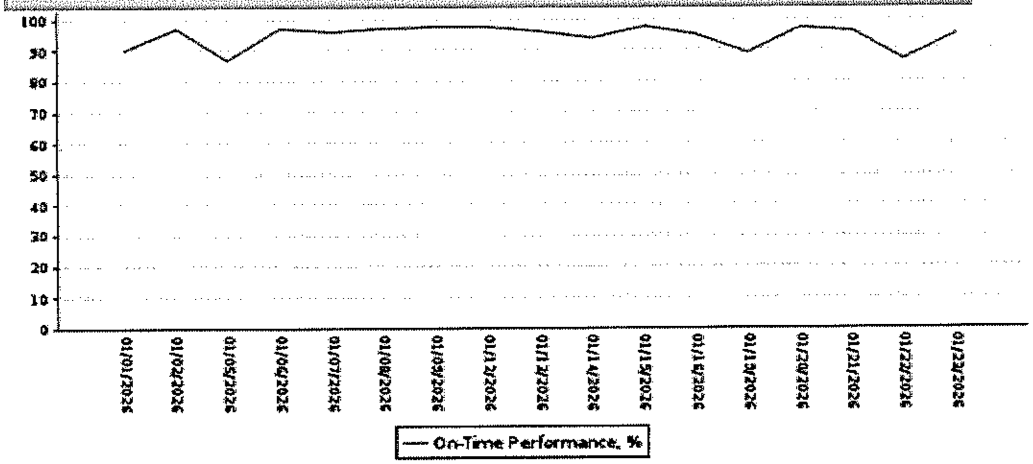
Dec-25	Totals Scheduled	Actual	% taken	miles	hours	Trips/ hour	Miles/ trip	Direct Op Cost	Cost/trip	% of trip	% of hrs	MPH	Trip Denials
Grayson	2270	2097	92%	17685.66	1,216.58	1.72	8.43	122,874.58	58.60	61%	50%	14.54	17
Grayson Urban	**1603**	**1524**	**95%**	**10751.82**	**779.63**	**1.95**	**7.06**	**78,742.63**	**51.67**	**45%**	**32%**	**13.79**	**15**
Grayson Rural	**667**	**573**	**86%**	**6933.84**	**436.95**	**1.31**	**12.10**	**44,131.95**	**77.02**	**17%**	**18%**	**15.87**	**2**
Fannin	122	116	95%	3734.73	140.75	0.82	32.20	14,215.75	122.55	3%	6%	26.53	0
Cooke	553	526	95%	2879.41	328.76	1.60	5.47	33,204.76	63.13	15%	14%	8.76	0
Wise	493	467	95%	8647.48	440.17	1.06	18.52	44,457.17	95.20	14%	18%	19.65	2
Clay	179	177	99%	3651.17	221.56	0.80	20.63	22,377.56	126.43	5%	9%	16.48	0
Montague	34	29	85%	1563.74	72.44	0.40	53.92	7,316.44	252.29	1%	3%	21.59	0
Monthly Total	**3651**	**3412**	**93%**	**38162.19**	**2,420.26**	**1.41**	**11.18**	**244,446.26**	**71.64**	**100%**	**100%**	**15.77**	**19**

Summary:	3263	3094	169	3150	113	96.54%



Jan-26	Totals Scheduled	Actual	% taken	miles	hours	Trips/ hour	Miles/ trip	Direct Op Cost	Cost/trip	% of trip	% of hrs	MPH	Trip Denials
Grayson	1567	1480	94%	13499.05	865.25	1.71	9.12	87,390.25	59.05	62%	52%	15.60	14
Grayson Urban	**1151**	**1086**	**94%**	**8080.9**	**564.13**	**1.93**	**7.44**	**56,977.13**	**52.47**	**45%**	**34%**	**14.32**	**10**
Grayson Rural	416	394	95%	5418.15	301.12	1.31	13.75	30,413.12	77.19	17%	18%	17.99	4
Fannin	79	74	94%	1697.69	63.14	1.17	22.94	6,377.14	86.18	3%	4%	26.89	0
Cooke	335	321	96%	1781.58	227.37	1.41	5.55	22,964.37	71.54	13%	14%	7.84	1
Wise	397	379	95%	6607.8	313.30	1.21	17.43	31,643.30	83.49	16%	19%	21.09	2
Clay	114	113	99%	2482.76	146.45	0.77	21.97	14,791.45	130.90	5%	9%	16.95	0
Montague	20	20	100%	1145.85	47.99	0.42	57.29	4,846.99	242.35	1%	3%	23.88	0
Monthly Total	**2512**	**2387**	**95%**	**27214.73**	**1,663.50**	**1.43**	**11.40**	**168,013.50**	**70.39**	**100%**	**100%**	**16.36**	**17**

Summary:	2330	2219	111	2226	104	95.54%



MONTHLY
D&A AND SAFETY
UPDATE

Drug & Alcohol Update	November 2025	December 2025	January 2026
Pre-employment	0	2	3
Employees in test pool	23	23	22
Random	0	2	0
Post Accident	0	0	0
Reasonable Suspicion	0	0	0
Positive Results	0	0	0
Drug Lab is Certified			

Safety Update	November 2025	December 2025	January 2026
Preventable incidents	2	0	0
Total incidents	2	0	0
Preventable injuries	0	0	0
Total injuries	0	0	0
Safety meetings	1	1	1

Quarterly Management & Compliance Report

FY 2026

Drug & Alcohol	Nov	Dec	Jan
Pre-employment	0	2	3
Employees in test pool	23	23	22
Random	0	2	0
Post Accident	0	0	0
Reasonable Suspicion	0	0	0
Positive Results	0	0	0
Drug Lab Certification	YES	YES	YES

Safety	Nov	Dec	Jan
Preventable incidents	2	0	0
Total incidents	2	0	0
Preventable Injuries	0	0	0
Total Injuries	0	0	0
Safety Meetings	1	1	1

Complaints	Nov	Dec	Jan
Americans with Disabilities Act (ADA)	0	0	0
Title VI	0	0	0
General	0	0	0

TAPS Quarterly Analysis

Analysis of November through January , 20 26

Reviewer: ______________________ Date: ____________

Drug & Alcohol Monitoring

Section 1

Pool size for this quarter: 23

Drug Test Type	**Total # Test Results**	**Negative Results**	**Positive Results**	**Refusals to Test**	Cancelled Tests	Random Rate Exceeds FTA
Pre-Employment	5	5	0	0	0	n/a
Random	2	2	0	0	0	yes
Post Accident	0	0	0	0	0	n/a
Reasonable Suspicion	0	0	0	0	0	n/a
Return-to-Duty	0	0	0	0	0	n/a
Follow-Up	0	0	0	0	0	n/a
Total (Drug)	6	6	0	0	0	n/a
Alcohol Type						
Pre-Employment	0	0	0	0	0	n/a
Random	1	1	0	0	0	yes
Post Accident	0	0	0	0	0	n/a
Reasonable Suspicion	0	0	0	0	0	n/a
Return-to-Duty	0	0	0	0	0	n/a
Follow-Up	0	0	0	0	0	n/a
Total (Alcohol)	1	1	0	0	0	

*Random drug testing requirements: Must equal **T= (0.50*(D/P))**
*Random alcohol testing requirements: Must equal **T= (0.1*(D/P))**
where D = size of pool, and P = number of testing periods per year

Section 2

Review of Certifications:

Are current certifications for Medical Review Officer, Breath Alcohol Technician, and Substance Abuse Professional on file? **Y / N**

Section 3

Records Maintenance: **Initials**

Retention time frames clearly marked on each file

One Year: Records of negative drug/alcohol test results

Two Years: Records releated to the collection process and employee training

Five Years: Records of verified positive drug/alcohol test results, refusals to take required drug/alcohol tests, employee referrals to the SAP, and copies of annual MIS reports

Records are stored in locked cabinet/room with only program manager and his/her designee(s) having access

Policy clearly states to whom and under what circumstances drug/alcohol records will be released

Section 4

Collection Clinic Audits

Has Transdev conducted a clinic audit within the past 6 months? **Y / N**

Are these records of this clinic audit on file? **Y / N**

Section 5

Drug & Alcohol Training **Initials**

New employees and employee transfers to safety-sensitive positions have received a one-time 60-minute training session on the effects and consequences of drug and alcohol use

Newly hired or promoted supervisors who make reasonable suspicion determinations have received a one-time 60-minute training session on the physical, behavioral, speech and performance indicators of probable drug and alcohol use (total of 120 minutes)

Section 6

Safety Meetings **Y / N**

Section 7

Educational Materials Available **Y / N**

Reviewer's Signature ______________________ Date ________

MONTHLY MAINTENANCE UPDATE

Maintenance Update	November 2025	December 2025	January 2026
PM Seq 10-40	3	4	4
PM Seq 50-80	1	3	1
PM Seq 90-120	2	2	0
Tota per month	6	9	5
Total On-time	6	9	5
Total Late	0	0	0
Disinfecting PM is no longer required			

Taps Maintenance Dept

Compliance Review Period 011/1/2025 - 11/30/2025

Section 1	Total number of PMIs completed			6
PMs completed				
SEQ 10 - 40	Target Miles	5000	3	
SEQ 50 - 80	Target Miles	5000	1	
SEQ 90 - 120	Target Miles	5000	2	
Buses completed	**PM Type**	**Miles From previous PM**	**On time**	**Late**
359	SEQ 10A	4977	X	
360	SEQ 100A	4887	X	
361	SEQ 90A	4964	X	
369	SEQ 30B	4921	X	
373	SEQ 50 A	4919	X	

381	**SEQ 10A**	4946	X	

Accesible equipment in PMs YES

Copies of PMs available YES

SECTION 2 Major Maintenance Projects

Major MaintenanceProjects completed ? No

Notes	
New building completed but items still coming up to fix	

SECTION 3: Records Retention

Current List of TAPS Vehicles	YES
Daily Vehicle Checklists	YES
Preventative Maintenance Checklists	YES
Warranty Claims	NO

SECTION 4: Facilities / Equipment Condition

Maintenance Facilities in Good Condition ? Yes / No

Notes	

Checklist completed 11/6/2025

Equipment in Good Condition ?

Notes	

checklist completed 11/28/2025

Reviewers Signature Date

Taps Maintenance Dept

Compliance Review Period 012/1/2025 - 12/31/2025

Section 1	Total number of PMIs completed			9
PMs completed				
SEQ 10 - 40	Target Miles	5000	4	
SEQ 50 - 80	Target Miles	5000	3	
SEQ 90 - 120	Target Miles	5000	2	
Buses completed	**PM Type**	**Miles From previous PM**	**On time**	**Late**
342	**SEQ 70A**	4947	X	
358	**SEQ 50A**	4915	X	
364	**SEQ 90 B**	4934	X	
365	**SEQ 12OD**	4986		
371	**SEQ 70A**	4967	X	
376	**SEQ 30B**	4966		
378	**SEQ 10A**	4997	X	
379	**SEQ 10A**	4997	X	

383	**SEQ 20 A**	4974	X	

Accesible equipment in PMs YES

Copies of PMs available YES

SECTION 2 Major Maintenance Projects

Major MaintenanceProjects completed ? No

Notes	
New building completed but items still coming up to fix	

SECTION 3: Records Retention

Current List of TAPS Vehicles	YES
Daily Vehicle Checklists	YES
Preventative Maintenance Checklists	YES
Warranty Claims	NO

SECTION 4: Facilities / Equipment Condition

Maintenance Facilities in Good Condition ? Yes / No

Notes	

Checklist completed 12/2/2025

Equipment in Good Condition ?

Notes	

checklist completed 12/28/2025

Reviewers Signature Date

Taps Maintenance Dept

Compliance Review Period 1/1/2026 - 1/31/2026

Section 1	Total number of PMIs completed			5
PMs completed				
SEQ 10 - 40	Target Miles	5000	4	
SEQ 50 - 80	Target Miles	5000	1	
SEQ 90 - 120	Target Miles	5000	0	
Buses completed	**PM Type**	**Miles From previous PM**	**On time**	**Late**
367	SEQ 40A	4707	X	
369	SEQ 40A	4961	X	
370	SEQ 20A	4979	X	
375	SEQ 80A	4926	X	

385	SEQ 10A	4923	X	

Accesible equipment in PMs YES

Copies of PMs available YES

SECTION 2 Major Maintenance Projects

Major MaintenanceProjects completed ? No

Notes	
New building completed	
New South Gate completed	

SECTION 3: Records Retention

Current List of TAPS Vehicles	YES
Daily Vehicle Checklists	YES
Preventative Maintenance Checklists	YES
Warranty Claims	NO

SECTION 4: Facilities / Equipment Condition

Maintenance Facilities in Good Condition ? Yes / No

Notes	

Checklist completed 1/3/2026

Equipment in Good Condition ?

Notes	

checklist completed 1/27/2026

Reviewers Signature Date

EXECUTIVE SESSION

SCHEDULE NEXT BOARD MEETING