



CITY OF FAIR OAKS RANCH
MUNICIPAL DEVELOPMENT DISTRICT MEETING

Wednesday, January 10, 2024 at 4:00 PM

Public Safety Training Room in the Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch

AGENDA

OPEN MEETING

1. Roll Call - Declaration of a Quorum
2. Pledge of Allegiance

CITIZENS and GUEST FORUM

To address the Board, please sign the Attendance Roster located on the table at the entrance in the foyer of the Public Safety Training Room. In accordance with the Open Meetings Act, the MDD Board may not discuss or take action on any item which has not been posted on the agenda. Speakers shall limit their comments to five (5) minutes each.

3. Citizens to be heard.

CONSENT AGENDA

4. Approval of the October 11, 2023 Regular MDD Board meeting minutes.

Keith Rhoden, MDD Secretary

REPORTS

5. Quarterly Financial & Investment Report - Q1 FY2024.

Summer Fleming, MDD Investment Officer

6. Fair Oaks Ranch civic center project status update.

Scott Huizenga, City Manager

7. Bond Advisory Committee update.

Seth Mitchell, Committee Chairman

CONSIDERATION / ACTION ITEMS

8. Consideration and possible action to approve the MDD Audit Report for the fiscal year ended September 30, 2023.

Summer Fleming, MDD Investment Officer
Michael Del Toro, ABIP Partner

9. Consideration and possible action on the Small Dollar/Small Project program for the MDD.

Mike Lovelace, Small Scope/Small Dollar Subcommittee Chair

10. Consideration and possible action on the Marketing & Project Opportunities Subcommittee.

Nicholas DiCianni, Marketing & Project Opportunities Subcommittee Chair

11. Consideration and possible action regarding an application from the Leon Springs Fire Department.

Laura Koerner, MDD President

ADJOURNMENT

Next quarterly meeting: April 10, 2024 AT 4:00 PM.

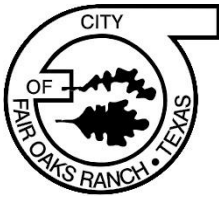
Signature of Agenda Approval: s/ Laura Koerner

Laura Koerner, President

I, Amanda Valdez, TRMC, Deputy City Secretary, certify that the above Notice of Meeting was posted on the outside bulletin board at the Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas, and on the City’s website www.fairoaksranchtx.org, both places being convenient and readily accessible to the general public at all times.

As per Texas Government Code 551.045, said Notice was posted by 4:00 PM, January 07, 2024 and remained so posted continuously for at least 72 hours before said meeting was convened.

The Fair Oaks Ranch Police Station is wheelchair accessible at the front main entrance of the building from the parking lot. Requests for special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary’s office at (210) 698-0900. Braille is not available.



CITY OF FAIR OAKS RANCH
MUNICIPAL DEVELOPMENT DISTRICT MEETING

Wednesday, October 11, 2023 at 4:00 PM

Public Safety Training Room in the Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch

MINUTES

OPEN MEETING

1. Roll Call - Declaration of a Quorum.

Present: President Laura Koerner, Vice President Nicholas DiCianni, Treasurer Mike Lovelace, Keith Rhoden, David Fairhurst, and Ruben Olvera

Absent Steven Robertson

With a quorum present, the meeting was called to order at 4:00 PM.

2. Pledge of Allegiance – The Pledge of Allegiance was recited in unison.

CITIZENS and GUEST FORUM

3. **Citizens to be heard** – None.

PRESENTATIONS

4. **Introduction of new MDD Board Members.**

President Koerner welcomed new board members Keith Rhoden and Roben Olvera.

CONSENT AGENDA

5. **Approval of the July 12, 2023 Regular MDD Board meeting minutes.**

The consent agenda was approved by consensus.

REPORTS

6. **Fair Oaks Ranch Civic Center Project status update.**

Scott Huizenga, Interim City Manager, provided an update to the Board regarding the civic center project. The project designer has provided an initial presentation to Council in September. The Council was also shown an approximately 5000 sq. ft concept and are expecting another update in November.

7. **Quarterly Financial and Investment Report for the period ending September 30, 2023.**

Summer Fleming, Investment Officer for the MDD, provided a quarterly financial and investment report and answered clarifying questions of the Board.

CONSIDERATION / ACTION ITEMS

8. Consideration and possible action regarding the election of MDD Officers for Fiscal Year 2023/2024.

With only one nomination for each position, President Koerner called for votes on each of the positions as follows:

MOTION 1: President Koerner moved to elect Laura Koerner for the position of President.

VOTE 1: 6-0; Motion Passed.

MOTION 2: President Koerner moved to elect Nicholas DiCianni for the position of Vice President.

VOTE 2: 6-0; Motion Passed.

MOTION 3: President Koerner moved to elect Keith Rhoden for the position of Secretary.

VOTE 3: 6-0; Motion Passed.

MOTION 4: President Koerner moved to elect Mike Lovelace for the position of Treasurer.

VOTE 4: 6-0; Motion Passed.

9. Consideration and possible action regarding subcommittee assignments of current and new MDD Board Members.

No action was taken to change the membership of the Marketing & Project Opportunities Subcommittee. The following members will continue to serve on this subcommittee:

- Nicholas DiCianni
- Steven Robertson
- David Fairhurst

MOTION: Made by Treasurer Lovelace, seconded by Vice President DiCianni, to appoint the following MDD Board Members to the Small Scope/Small Dollar Subcommittee:

- Mike Lovelace
- Ruben Olvera
- Keith Rhoden

VOTE: 6-0; Motion Passed.

10. Consideration and possible action to approve a resolution reaffirming the Fair Oaks Ranch Municipal Development District's Investment Policy.

No policy amendments were proposed by Staff.

MOTION: Made by Treasurer Lovelace, seconded by Vice President DiCianni, to approve a resolution reaffirming the Fair Oaks Ranch Municipal Development District's Investment Policy.

VOTE: 6-0; Motion Passed.

11. Consideration and possible action on debt issuance options for the District.

Summer Fleming, MDD Investment Officer, provided a short presentation to the Board explaining the option of debt issuance to fund operation and maintenance. The Board took no action.

12. Consideration and possible action regarding alternative MDD investment options.

MOTION: Made by Treasurer Mike Lovelace, seconded by Vice President Nicholas DiCianni, to direct the MDD Investment Officer to do some additional research on what’s available in the marketplace consistent with our existing policy.

VOTE: 6-0; Motion Passed.

13. Consideration and possible action regarding the design and content of a website and grant application for the MDD.

MOTION: Made by Vice President Nicholas DiCianni, seconded by Treasurer Mike Lovelace, to move forward and publish the MDD webpage and grant funding application on the City’s website as presented.

VOTE: 6-0; Motion Passed.

14. Consideration and possible action regarding creation and funding a small dollar/small project program for the MDD.

MOTION: Made by Treasurer Mike Lovelace, seconded by Ruben Olvera, that the subcommittee develop a small dollar/small project program.

VOTE: 6-0; Motion Passed.

15. Consideration and possible action regarding upcoming Regular MDD Board Meeting Dates.

MOTION: Made by President Laura Koerner, seconded by Treasurer Mike Lovelace, that the Board set the following dates for their known quarterly MDD regular meetings:

- January 10, 2024 at 4:00 PM.
- April 10, 2024 at 4:00 PM.
- July 10, 2024 at 4:00 PM.
- October 9, 2024 at 4:00 PM.

VOTE: 6-0; Motion Passed.

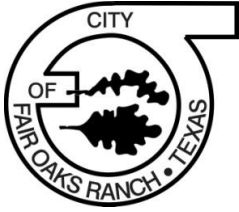
ADJOURNMENT

President Koerner adjourned the meeting at 5:42 PM.

ATTEST:

Laura Koerner, MDD President

Keith Rhoden, MDD Secretary



**FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT
REPORT ITEM
CITY OF FAIR OAKS RANCH, TEXAS
January 10, 2024**



AGENDA TOPIC: Quarterly Financial & Investment Report – Q1 FY2024
DATE: January 10, 2024
PRESENTED BY: Summer Fleming, MDD Investment Officer

INTRODUCTION/BACKGROUND:

Pursuant to Government Code Section 2256.023 and the MDD’s Investment Policy Section 11, the Investment Officer is required, on a quarterly basis, to prepare and submit to the MDD Board a written report of investment assets and the market value of the current investments.

The attached presentation is being made to comply with the Q1 FY 2024 reporting requirements.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Frequent review and reporting of the MDD’s assets and investment vehicles is both prudent and necessary to verify that the MDD’s investment portfolio is being managed according to the investment policy.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The District has received \$36,699 in sales taxes for the month of October, as sales taxes are collected two months in arrears, and \$37,092 in interest for the first quarter of the fiscal year. Additionally, \$31,132 in expenditures have been incurred this quarter for the annual management fee and legal fees.

Investments are currently held in two local government investment pools with a combined balance of \$2.68 million as of December 31, 2023.

LEGAL ANALYSIS:

N/A

RECOMMENDATION/PROPOSED MOTION:

This presentation is for informational purposes only and to comply with requirements under Texas Government Code Section 2256.023 and the MDD’s Investment Policy.

Fair Oaks Ranch
Municipal Development District
Quarterly Financial & Investment Report

**For the Quarter Ended
December 31, 2023**

**MDD Investment Officer:
Summer Fleming**



Fair Oaks Ranch Municipal Development District
Statement of Revenues and Expenditures
For the Quarter Ended December 31, 2023

	<u>Budget</u>	<u>Projection</u>	<u>YTD Actual</u>	<u>Actual vs Budget</u>	<u>Percent of Budget</u>
Beginning Fund Balance	2,671,885	2,701,087	2,701,087		
<u>Revenues</u>					
Local Sales Tax	450,000	450,000	36,699	(413,301)	8.16%
Interest	83,000	135,000	37,092	(45,908)	44.69%
Total Revenue	<u>533,000</u>	<u>585,000</u>	<u>73,791</u>	<u>(459,209)</u>	<u>13.84%</u>
<u>Expenditures</u>					
Supplies	250	250	-	250	0.00%
Training/Seminars	250	250	-	250	0.00%
Attorney	3,500	3,500	932	2,568	26.63%
Auditor	4,550	4,550	-	4,550	0.00%
Professional Services	33,450	33,450	30,150	3,300	90.13%
Insurance	50	50	50	-	100.00%
Total Expenditures	<u>42,050</u>	<u>42,050</u>	<u>31,132</u>	<u>10,918</u>	<u>74.04%</u>
Revenues over/(under) expenditures	490,950	542,950	42,659	(448,291)	8.69%
Ending Fund Balance	3,162,835	3,244,037	2,743,746	(448,291)	86.75%

Fair Oaks Ranch Municipal Development District
Balance Sheet
As of December 31, 2023

<u>Assets</u>		
Frost Bank	69,213	
TexPool	581,988	
Texas CLASS	2,093,477	
Accrued Receivables	-	
Total Cash & Investments		<u>2,744,678</u>
Total Assets		<u><u>2,744,678</u></u>
 <u>Liabilities</u>		
Due to City of Fair Oaks	932	
Accounts Payable	-	
		<u>932</u>
 <u>Fund Balance</u>		
Fund Balance - Operating	50,000	
Infrastructure Improvements - Assigned	1,451,087	
Infrastructure Improvements - Committed	1,200,000	
Total Fund Balance		<u>2,701,087</u>
Total Revenues	73,791	
Total Expenses	31,132	
Excess Revenue over Expenses		<u>42,659</u>
Total Liabilities & Fund Equity		<u><u>2,744,678</u></u>

Fair Oaks Ranch Municipal Development District
Investment Report
For the Quarter Ended December 31, 2023

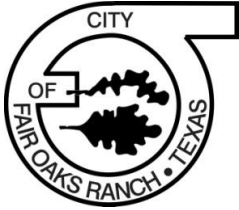
Description	Beginning Balance	Ending Balance	Market Value	QTD Interest	Fiscal YTD Interest	Avg Yield	Weighted Avg Maturity
Frost Bank	98,830	69,213	69,213	757	757	0.37%	N/A
TexPool	460,407	581,988	581,988	7,143	7,143	5.37%	26 Days
Texas Class	2,064,285	2,093,477	2,093,477	29,192	29,192	5.57%	42 Days
Total	2,623,523	2,744,678	2,744,678	37,092	37,092		

Interest Rate Comparison

Qtr Ended	MDD	TexPool	Texas CLASS	3 Month T-bill	6 Month T-bill	2 Year Treasury Note	CDARS 6 month CD
Mar-23	4.51%	4.45%	4.73%	4.63%	4.75%	4.06%	4.12%
Jun-23	3.91%	4.95%	5.17%	5.17%	5.24%	4.87%	4.72%
Sep-23	5.21%	5.25%	5.44%	5.45%	5.52%	5.12%	4.93%
Dec-23	5.40%	5.36%	5.57%	5.44%	5.46%	4.81%	4.93%
Year Average	4.76%	5.00%	5.23%	5.17%	5.24%	4.72%	4.68%

Trends and Future Outlook

- The Federal Reserve kept the federal funds rate steady at 5.25%-5.5% for a third consecutive meeting in December 2023, in line with expectations, but indicated 75 basis points cut in 2024.



**FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT
CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
January 10, 2024**



AGENDA TOPIC: Consideration and possible action to approve the MDD Audit Report for the fiscal year ended September 30, 2023.
DATE: January 10, 2024
PRESENTED BY: Summer Fleming, MDD Investment Officer
Michael Del Toro, ABIP Partner

INTRODUCTION/BACKGROUND:

The Board of the MDD requires that its financial statements are reviewed by an independent auditor on an annual basis.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

An annual review of the financial records of the MDD serves as a check on the accuracy of records, compliance with accounting methods, and soundness of financial practices, including internal controls.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The annual audit was conducted by ABIP, PC in accordance with auditing standards generally accepted in the United States of America. The budget for this service was \$4,550 and the cost of the audit was \$4,500.

LEGAL ANALYSIS:

N/A

RECOMMENDATION/PROPOSED MOTION:

I move to approve the MDD Audit Report for the fiscal year ended September 30, 2023.

CITY OF FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023

abip

CPAs | ADVISORS

CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**

CITY OF FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT**TABLE OF CONTENTS****September 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
City of Fair Oaks Ranch Municipal Development District
Fair Oaks Ranch, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the City of Fair Oaks Ranch Municipal Development District (the "District"), a component unit of the City of Fair Oaks Ranch, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

ABIP, PC

San Antonio, Texas
January 10, 2024

CITY OF FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the financial performance of the City of Fair Oaks Ranch Municipal Development District (the "District"), a component unit of the City of Fair Oaks Ranch, Texas (the "City"), provides an overview of the District's financial activity for the fiscal year ended September 30, 2023. It should be read in conjunction with the accompanying financial statements.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded its liabilities by \$2,701,087 (net position) at September 30, 2023.
- The District's total revenues were \$563,347 while total expenses were \$38,195, thereby increasing the District's net position by \$525,152.
- The District reported an ending fund balance of \$2,701,087, an increase of \$525,152.

DISTRICT'S HIGHLIGHTS

The City of Fair Oaks Ranch Municipal Development District was formed on May 7, 2011 as a political subdivision of the State of Texas and the City of Fair Oaks Ranch in accordance with Chapter 377 of the Texas Local Government Code. It receives all of the proceeds from a 1/2 cent sales tax approved by a vote of the citizens in 2011 for economic development in the City of Fair Oaks Ranch and the Bexar County and Kendall County ETJ.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of three parts: management's discussion and analysis, basic financial statements, and required supplementary information. The statement of net position and activities provide information on the District as a whole. The District's net position, the difference between assets and liabilities, provides one way to measure financial health or financial position of the District.

Statement of Net Position

Table 1 shows all assets and liabilities of the District and is presented on the accrual basis of accounting. The total net position is \$2,701,087 as of September 30, 2023.

TABLE 1
CITY OF FAIR OAKS MUNICIPAL DEVELOPMENT DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30,

	2023	2022
	<u> </u>	<u> </u>
Cash and investments	\$ 2,623,523	\$ 2,106,718
Accounts receivable	77,739	69,254
Total assets	<u>2,701,262</u>	<u>2,175,972</u>
Accounts payable	<u>175</u>	<u>37</u>
Unrestricted net position	<u>\$ 2,701,087</u>	<u>\$ 2,175,935</u>

Statement of Activities

Table 2 shows summarized expenses and revenues of the District and is also presented on the accrual basis of accounting. General revenues consist primarily of the 1/2 cent sales tax the District collects from retail sales within the City of Fair Oaks Ranch.

TABLE 2
CITY OF FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT
CHANGE IN NET POSITION
SEPTEMBER 30,

	<u>2023</u>	<u>2022</u>
General revenues	\$ 453,885	\$ 421,183
Investment income	<u>109,462</u>	<u>13,855</u>
Total revenues	<u>563,347</u>	<u>435,038</u>
Administrative expenses	470	-
Management service fee to the City of Fair Oaks Ranch, Texas	30,150	30,150
Professional services	7,525	10,335
Insurance	<u>50</u>	<u>50</u>
Total expenses	<u>38,195</u>	<u>40,535</u>
Changes in net position	<u>\$ 525,152</u>	<u>\$ 394,503</u>

BUDGET ANALYSIS

The District adopted a budget for the 2023 fiscal year with \$418,000 in revenues and \$42,050 in expenditures. Actual revenue exceeded the budget by \$145,347, and actual expenditures were \$3,855 less than the budget.

ANALYSIS OF THE DISTRICT’S FUNDS

There are currently no differences between the government-wide financial statements and the fund statements of the District.

Description of Current and Expected Conditions – The District has budgeted \$533,000 in revenues and \$42,050 in expenditures for the 2024 fiscal year, with \$490,950 going to reserves for future capital projects.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District’s finances and to show the District’s accountability to its taxpayers. The District is a component unit of the City of Fair Oaks Ranch, Texas and therefore is presented with the City’s finances. If you have any questions about this report, need additional financial information, or information on the City of Fair Oaks Ranch, Texas finances, contact the City of Fair Oaks Ranch Municipal Development District at 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas 78015.

BASIC FINANCIAL STATEMENTS

CITY OF FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT

STATEMENT OF NET POSITION

September 30, 2023

ASSETS	
Cash and cash equivalents	\$ 2,623,523
Accounts receivable	<u>77,739</u>
Total assets	<u>2,701,262</u>
LIABILITIES	
Accounts payable	<u>175</u>
NET POSITION	
Unrestricted	<u>\$ 2,701,087</u>

The accompanying notes are an integral part of these statements.

CITY OF FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT

STATEMENT OF ACTIVITIES

For the year ended September 30, 2023

EXPENSES

General government	
Administrative expenses	\$ 470
Management service fee to the City of Fair Oaks Ranch, Texas	30,150
Professional services	7,525
Insurance	<u>50</u>
Total general government expenses	<u>38,195</u>

GENERAL REVENUES

Sales taxes	453,885
Investment income	<u>109,462</u>
Total general revenues	<u>563,347</u>

CHANGE IN NET POSITION 525,152

NET POSITION - BEGINNING 2,175,935NET POSITION - ENDING \$ 2,701,087

The accompanying notes are an integral part of these statements.

CITY OF FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT

BALANCE SHEET

September 30, 2023

ASSETS

Cash and cash equivalents	\$ 2,623,523
Accounts receivable	<u>77,739</u>
Total assets	<u>\$ 2,701,262</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 175

FUND BALANCE

Committed for:	
Infrastructure improvements	1,200,000
Assigned for:	
Infrastructure improvements	1,451,087
Unassigned fund balance	<u>50,000</u>
Total fund balances	<u>2,701,087</u>

Total liabilities and fund balance	<u>\$ 2,701,262</u>
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RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION:

TOTAL FUND BALANCE	<u>\$ 2,701,087</u>
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TOTAL NET POSITION	<u>\$ 2,701,087</u>
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The accompanying notes are an integral part of these statements.

CITY OF FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

For the year ended September 30, 2023

REVENUES		
Sales taxes		\$ 453,885
Investment income		<u>109,462</u>
Total revenues		<u>563,347</u>
EXPENDITURES		
General government		
Administrative expenditures		470
Management service fee to the City of Fair Oaks Ranch, Texas		30,150
Professional services		7,525
Insurance		<u>50</u>
Total general government expenditures		<u>38,195</u>
Net change in fund balance		<u>525,152</u>
BEGINNING FUND BALANCE		<u>2,175,935</u>
ENDING FUND BALANCE		<u>\$ 2,701,087</u>
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES:		
NET CHANGE IN FUND BALANCE		<u>\$ 525,152</u>
CHANGE IN NET POSITION		<u>\$ 525,152</u>

The accompanying notes are an integral part of these statements.

CITY OF FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2023

(1) Summary of significant accounting policies

Financial reporting entity

The City of Fair Oaks Ranch Municipal Development District (the “District”) is a political subdivision of the State of Texas and the City of Fair Oaks Ranch in accordance with Chapter 377 of the Texas Local Government Code. The District was created May 7, 2011 to act on behalf of the City for promotion, development and enhancement of economic development within the City of Fair Oaks Ranch. As a separate legal entity whose Board of Directors is appointed by, and whose budget must be approved by the City Council of the City of Fair Oaks Ranch, the District is considered a component unit of the City of Fair Oaks Ranch.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The financial statements present the financial position and results of operations of the District only.

Basis of presentation

The government-wide financial statements are presented in accordance with GASB 34, which mandates government-wide financial statements of net position and activities, and are presented on the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of the related cash flows. It also requires that fixed assets be recorded at cost less accumulated depreciation.

Governmental funds use the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable (flow of current financial resources measurement focus). Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Budgets

The District adopts annual operating, and, if necessary, capital budgets which are approved by the City of Fair Oaks Ranch, Texas’s City Council. Formal budgetary accounting is employed as a management control. The budgets can be amended by the Board of Directors, subject to City Council approval. Actual expenditures cannot legally exceed budgeted appropriations at the fund level. All budgeted appropriations lapse at the end of each fiscal year.

Cash and cash equivalents

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the District.

Sales tax revenue

In 2011, the citizens of the City of Fair Oaks Ranch approved by a vote an additional one-half of one percent (1/2 cent or \$0.005) local sales and use tax to be used by the District for economic development within the City of Fair Oaks Ranch and the Bexar County and Kendall County ETJ.

CITY OF FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2023

(1) Summary of significant accounting policies (continued)

Fund balance

Committed – represents amounts that can only be used for the specific purpose imposed by formal action of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

Assigned – represents amounts which the District intends to use for a specific purpose but do not meet the criteria of restricted or committed.

Unassigned – represents the residual balance that may be spent on any other purpose of the District.

When an expenditure is incurred for a purpose in which multiple classifications are available, the District considers committed or assigned balances spent first before unassigned.

Net position

Net position represents the difference between assets and liabilities.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Implementation of new accounting principles

The District adopted the provisions of GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITAs)*. The Statement is based on the principle that SBITAs are financings of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). It establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability.

(2) Deposits and investments

Deposits

Custodial credit risk – at September 30, 2023, the carrying amount of the District's deposits in the bank was \$98,830 and the bank balance was the same. The bank balance was fully covered by federal deposit insurance as of September 30, 2023.

CITY OF FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2023

(2) Deposits and investments (continued)

Investments

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowance investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act (“Act”) requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statement disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District has adhered to the requirements of the Act. Investment practices of the District were in accordance with local policies. The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) money market mutual funds, and 4) eligible public funds investment pools.

The District’s investments at September 30, 2023 were as shown below:

	<u>Rating</u>	<u>Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool (valued at amortized cost)	AAAm	\$ 460,407	28
Texas Class (valued at NAV)	AAAm	<u>2,064,285</u>	49
Total		<u>\$ 2,524,692</u>	
Weighted average maturity			45

Custodial credit risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. All of the District’s investments are held by its agents in the District’s name.

Interest rate risk

In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its operating investment portfolio to less than 13 months. The District’s investment policy limits the final stated maturity of any security to no more than two years. As a matter of policy, the District holds all investments to maturity.

Credit risk

The District’s investment policy states that investments in local government pools will be no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service.

CITY OF FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT**NOTES TO THE FINANCIAL STATEMENTS****September 30, 2023**(2) Deposits and investments (continued)

Investment accounting policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public funds investment pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. TexPool is an investment pool that meets these criteria.

TexPool is an investment pool in which the Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company (the Trust Company), which is authorized to operate the pool. Federated Investors, Inc. manages the assets under an agreement with the Comptroller, acting on behalf of the Trust Company. TexPool is reported at amortized cost and does not have any limitations or restrictions on participants' withdrawals.

The City is invested in Texas Cooperative Liquid Assets Securities System (Texas CLASS) Trust. Texas CLASS was created as an investment pool for its participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code, or other laws of the State of Texas governing the investment of funds of a participant or funds under its control. Texas CLASS is administered by Public Trust Advisors, LLC with Wells Fargo Bank Texas, NA as the Custodian and is supervised by a Board of Trustees who are elected by the participants. The District does not have any unfunded commitments related to the pool. Each investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity. The fair value of the investments in each pool have been determined using the NAV per share of investments. The redemption frequency is daily and there is not a redemption notice period for the pool.

(3) Litigation

Management of the District is not aware of any pending litigation.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT

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

For the year ended September 30, 2023

	Budgeted Amounts		Actual Amounts 2023	Variance with Final Budget Positive (Negative)	Actual Amounts 2022
	Original	Final			
REVENUES					
Sales taxes	\$ 410,000	\$ 410,000	\$ 453,885	\$ 43,885	\$ 421,183
Investment income	8,000	8,000	109,462	101,462	13,855
Total revenues	<u>418,000</u>	<u>418,000</u>	<u>563,347</u>	<u>145,347</u>	<u>435,038</u>
EXPENDITURES					
Administrative expenditures	750	750	470	280	-
Management service fee - COFOR	30,150	30,150	30,150	-	30,150
Professional services	11,100	11,100	7,525	3,575	10,335
Insurance	<u>50</u>	<u>50</u>	<u>50</u>	<u>-</u>	<u>50</u>
Total expenditures	<u>42,050</u>	<u>42,050</u>	<u>38,195</u>	<u>3,855</u>	<u>40,535</u>
Excess (deficiency) of revenues over (under) expenditures	375,950	375,950	525,152	149,202	394,503
FUND BALANCE - BEGINNING	<u>2,175,935</u>	<u>2,175,935</u>	<u>2,175,935</u>	<u>-</u>	<u>1,781,432</u>
FUND BALANCE - ENDING	<u>\$ 2,551,885</u>	<u>\$ 2,551,885</u>	<u>\$ 2,701,087</u>	<u>\$ 149,202</u>	<u>\$ 2,175,935</u>

CITY OF FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2023

Budgetary information

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The District maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council and as such is a good management control device.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level.

The District does not use encumbrances.



Saturday, December 30, 2023

Contact Information

Municipal Development District Funding Application

210-698-0900

www.fairoaksranchtx.org/287/Municipal-Development-District

**Fair Oaks Ranch Municipal
Development District Mission
Statement**

Accepted

Applicant

Assistant Chief Creech

Business Name

Leon Springs Fire Department

Contact Name

Andrew Creech

Title

Assistant Chief

Address

26217 Ralph Fair Rd
Boerne , TX, 78015

Primary Phone

(210) 827-5848

Secondary Phone

(210) 698-1593

Business Email

acreech@leonspringsvfd.org

Website

<https://leonspringsvfd.org/>

Project Information

Address of Project

7899 Fair Oaks Parkway
Fair Oaks Ranch, TX, 78015

Applicant Tax ID#

23-7297535

Name of Property Owner

City of Fair Oaks Ranch

Property Owner Mailing Address

7286 Dietz Elkhorn Rd
Fair Oaks Ranch , TX, 78015

Property Owner Primary Phone (210) 698-0900

List of Partners/Principals of the Business

2106960900	100
Phone Number	Ownership %

2106980900	100
Phone Number	Ownership %

Project Type Municipal

Applicant's relevant experience for the project for funding of project requested

The Leon Springs Fire Department (LSFD) is an All-Hazard response organization that has been the primary fire department for the citizens of the City of Fair Oaks Ranch and Bexar County Emergency Services District 4 (ESD 4) for the last 50 years. During this time, the fire department has responded to all types of emergencies and calls for service across the Northwest Bexar County area, including the winter storm and associated freeze in February 2021.

This event resulted in the loss of electricity, heat, and water services to large portions of the City of Fair Oaks Ranch and ESD 4. Residential pipes became frozen, leaving citizens without potable water in their homes. To counter this danger to the citizens we serve, the Leon Springs Fire Department set up water distribution sites in Fair Oaks Ranch and ESD 4, delivering over 3000 gallons of water to citizens. These sites allowed people to stay in their homes and not be displaced to warming centers or shelters.

The water supply issue has been highlighted on more minor scales during the summer when peak water usage stresses the area's water system. In the event of a water system failure or disruption, LSFD would again be called on to help support the community and assist in mitigating the emergency

Project Title Potable Water Distribution Trailer

Describe what the project entails

This project entails the procurement of a 1000-gallon potable water distribution trailer. The outlined trailer is DOT-certified and towable with current fire department service vehicles, limiting the need for any further expense. All fire department personnel would train on trailer operations before the asset was placed into service. The Leon Springs Fire Department would then notify our community partners (uniformed and civilian) of the new asset's capabilities and availability for response. The trailer would be housed at Station 133, centrally located on the parkway in Fair Oaks Ranch. This location gives quick and easy access to any area in the city.

Project Objective

The project aims to prepare the local area better when utilities and essential services are lost for short or extended periods. Having the ability to coordinate the delivery of potable water with community partners such as the Fair Oaks Ranch Police Department, Bexar County Sheriff's Office, the Kendall and Bexar County Emergency Operations Centers will limit the disruption to citizens and save lives.

Our after-action assessments of previous water distribution operations revealed several limiting factors, including LSFD procuring sufficient amounts of bottled water, transporting that water from stores to distribution sites, and the citizens' transport devices. Most people arrived at the sites with 5-gallon buckets or totes to transport water. This style of distribution trailer facilitates easy filling of that type of reciprocal, getting more water to more people faster.

Expected Benefits

Procurement of this asset will allow LSFD to distribute potable water to the citizens of Fair Oaks Ranch and the surrounding areas more effectively. A resource of this type can keep citizens in their homes, off

the roads, and alive when a significant weather disaster affects our area. However, it is equally as valuable in the case of a more frequent and much less severe situation, such as a water main break resulting in water loss to neighborhoods.

Funds Requested The Leon Springs Fire Department requests \$12,333.75 to purchase and deliver a potable water distribution trailer. The Leon Springs Fire Department would take on all maintenance, insurance, and reoccurring costs associated with the trailer.

Applicant Funding Source

Has Applicant received economic assistance before? No

Estimated Total Cost of the Project 13,000.00

Funds Requested 12,333.75

Estimated Date of Project Commencement Thursday, February 1, 2024

Estimated Date of Project Completion Friday, March 1, 2024

Contractor Information

(Note: Contractor detailed cost estimate must be attached)

Blueprints or Rendering must be attached

Required Documents to be Attached:

1. Applicable Building Permits and Zoning Board approval
2. Contractor's detailed cost estimate on Contractor's letterhead
3. Project Budget breakdown of all anticipated expenses
4. Plan for post-construction upkeep and sustainable ongoing operations
5. Letter from Property owner if the applicant is a tenant authorizing the project
6. Photographs of project location and existing structure
7. Detailed project plan and timeline for major milestones
8. FORHA and Unit HOA Restriction Committee Approvals (if applicable)

Upload Required Documents


ABI trailer quote.pdf

Applicant's Signature



Date

Saturday, December 30, 2023

TITLE	20230602105748688
DOCUMENT ID	233637018597061
DOCUMENT PAGES	4
STATUS	COMPLETED
TIME ZONE	America/Chicago

DOCUMENT HISTORY

 Signed	Dec 30, 2023 06:29 PM	Signed IP: 70.130.122.175
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ABI Attachments, Inc.
 520 S Byrkit St.
 Mishawaka IN 46544
 United States
 877-788-7253
 www.ABIattachments.com

Quote #QO423447

ID #: 462833 Leon Springs Fire Department
 Quote Date: 12/15/2023

Bill To

Leon Springs Fire Department
 Andrew Creech
 210-827-5848
 26217 Ralph Fair Rd
 Boerne TX 78015
 United States

Ship To

Leon Springs Fire Department
 Andrew Creech
 210-827-5848
 26217 Ralph Fair Rd
 Boerne TX 78015
 United States

Quote Details

Expires - End Of Month Quoted
 Terms -
 Quoted By - Korey Scott

Notes:

Quantity	Items	Weight	Price	Amount
1	WW1000BDOT 1000 Gal (DOT) - ABI Water Trailer (Black Tank) ABI's 1000 Gallon (DOT) Water Trailer features a purpose-built commercial-quality 6" channel iron frame, tandem 5,200 lb axles, leaf spring suspension, 6-lug axle, electric brakes, brake/tail lights, fenders, and a fully draining elliptical black poly tank. Trailer GVWR: 10,400 lbs., Unit Weight (Dry): 1,900 lbs., Unit Weight Loaded: 10,150 lbs. 36-Month Limited Commercial Warranty (12 Month Rental) Min. Vehicle Req: 3/4-Ton truck with at least a 10,200 lb. tow rating (Engine, pump, and plumbing sold separately)	1,950	\$9,854.00	\$9,854.00
1	WWTSB "T" Gravity Feed Distribution for 500/1000/1600 Gal Trailers "T" Gravity Feed Distribution for 500/1000/1600 Gal Trailers	0	\$597.00	\$597.00
1	WW500/1000DRT4 (4) Radial Tires For 500/1000 Gal Water Trailers (4) Radial Tires For 500/1000 Gal Water Trailers	0	\$999.00	\$999.00
1	WWHB Hitch - Ball Coupler (2 5/16") for 500 & 1000 Water Trailer Hitch Ball 2 5/16" Coupler for 500 & 1000 Water Trailer	15	\$149.00	\$149.00
1	DOT-TEMP-TAG 30 Day Temporary Tag for DOT Water Trailers 30 Day Temporary Tag for DOT Water Trailers		\$29.75	\$29.75
1	AMG30 AttachMatch™ Guarantee Certified Order (30 Days) This order qualifies for the ABI Attachments AttachMatch™ Guarantee! This guarantee provides the purchaser with 30-days from the date of delivery to ensure the attachments on this order match the purchaser's current and disclosed usage application, work requirements, and vehicle capabilities. If it does not match, ABI Attachments will return the products on this order and issue a full refund of the purchase price and refund any freight costs charged. The purchaser is responsible for the cost of return freight charges. The purchaser is responsible to fully disclose their current usage application(s), work requirements, and the vehicle model(s) that will be used with the attachment(s) on a particular order, at the time of ordering. ABI Attachments does not guarantee any change in usage application, work requirements, or vehicle specifications after the order has been shipped. Some limitations apply, see the documentation for details here: https://www.abiattachments.com/attachmatch-guarantee/		\$0.00	\$0.00

Subtotal	\$11,628.75
Shipping Cost	\$1,105.00
Shipping Discounts (-)	(\$400.00)
Shipping Due	\$705.00
Tax Total (%)	\$1,017.58

Total \$13,351.33
 Total Savings: \$400.00

Freight Carrier: Flat Bed - Direct Drive Logistics

Freight Accessorials Ordered: - Call Ahead - - Over Dimension -

Customer Support: Phone Support 877-788-7253, Mon-Fri, 9am-5pm EST or ABISupport.com for product manuals, parts, and self-help.

Return Policy: Product(s) sold with limited product warranty, standard return policy (shown here), and (when eligible) a conditional AttachMatch money-back guarantee. Review Details: <https://www.abiattachments.com/abi-company/policies/return-policy/> ABI's Standard 30-Day Return Policy: ABI will consider a refund on returns initiated within thirty (30) days of delivery of UNUSED products. ABI encourages customers to use caution when placing an order, as once shipped, the item may only be returned or exchanged if ABI expressly consents. Refunds are for the product's purchase price only; shipping and handling charges are not refundable. The customer is responsible for all shipping expenses associated with the transaction; these expenses include those incurred to deliver the product to the customer by ABI and shipping expenses incurred to return the product to ABI from the customer. If the product(s) has been used or otherwise reduced in resale value, up to a twenty-five percent (25%) restocking fee may be applied to items returned. If the customer utilized financing or otherwise has not paid ABI monies sufficient enough to cover the aforementioned expenses, the customer will be



QO423447

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