CITY OF

FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT

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2024

FINANCIAL STATEMENTS

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2024

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ANNUAL FINANCIAL REPORT

of the

City of Fair Oaks Ranch Municipal Development District

For the Year Ended
September 30, 2024

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City of Fair Oaks Ranch Municipal Development District

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BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the City of Fair Oaks Ranch Municipal Development District (the "District") as of and for the year ended September 30, 2024, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District, as of September 30, 2024, 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 (GAAS). 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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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.

Other Matters

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 as presented in the table of contents be presented to supplement the basic financial statements. Such information, 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.

BrooksWatson & Co.

BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
January 3, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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City of Fair Oaks Ranch Municipal Development District

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2024

As management of the City of Fair Oaks Ranch Municipal Development District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2024.

Financial Highlights

- At the close of the current fiscal year, the District's governmental funds reported combined fund balances of $3,331,455, an increase of $630,368. The increase was due to a significant surplus in revenues over expenditures.

- As of the end of the year, the unassigned fund balance of the general fund was $50,000 or 130% of annual general fund expenditures.

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:

The following table reflects the condensed Statement of Net Position:

	2024 Governmental Activities	2023 Governmental Activities
Cash and equivalents	$ 3,256,981	$ 2,623,523
Accounts receivable	75,342	77,739
Total Assets	3,332,323	2,701,262
Accounts payable	868	175
Total Liabilities	868	175
Unrestricted net position	3,331,455	2,701,087
Total Net Position	$ 3,331,455	$ 2,701,087

Statement of Activities:

The following table provides a summary of the District's changes in net position:

	2024 Governmental Activities	2023 Governmental Activities
General revenues	$ 510,915	$ 453,885
Investment income	157,987	109,462
Total revenues	668,902	563,347
Administrative expenses	-	470
Managmeent service fee to the City of Fair Oaks Ranch, Texas	30,150	30,150
Professional services	8,334	7,525
Insurance	50	50
Total expenses	38,534	38,195
Changes in net position	$ 630,368	$ 525,152

BUDGET ANALYSIS

The District adopted a budget for the 2024 fiscal year with $533,000 in revenues and $42,050 in expenditures. Actual revenue exceeded the budget by $135,902, and actual expenditures were $3,516 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 $604,000 in revenues and $67,475 in expenditures for the 2025 fiscal year, with $536,525 going to reserves for future capital projects.

CONTACTING THE CITY'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.

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FINANCIAL STATEMENTS

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City of Fair Oaks Ranch Municipal Development District

STATEMENT OF NET POSITION

September 30, 2024

		Governmental Activities
Assets		
Current assets:		
Cash and cash equivalents		$ 3,256,981
Sales tax receivable		75,342
	Total Current Assets	3,332,323
	Total Assets	3,332,323
Liabilities		
Current liabilities:		
Payable to City of Fair Oaks Ranch		868
	Total Current Liabilities	868
	Total Liabilities	868
Net Position		
Unrestricted		3,331,455
	Total Net Position	$ 3,331,455

See Notes to Financial Statements.

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City of Fair Oaks Ranch Municipal Development District

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2024

		Governmental Activities
Expenses		
General government:		
Management service fee to the City of Fair Oaks Ranch, Texas	$	30,150
Professional services		8,334
Insurance		50
Total general government expenses		38,534
General Revenues		
Sales taxes		510,915
Investment income		157,987
Total general government revenues		668,902
Change in Net Position		630,368
Net Position - Beginning		2,701,087
Net Position - Ending	$	3,331,455

See Notes to Financial Statements.

City of Fair Oaks Ranch Municipal Development District

BALANCE SHEET

September 30, 2024

		General Fund
Assets		
Cash and cash equivalents		$ 3,256,981
Sales tax receivable		75,342
	Total Assets	3,332,323
Liabilities		
Payable to City of Fair Oaks Ranch		868
	Total Liabilities	868
Fund Balance		
Committed for:		
Infrastructure improvements		1,200,000
Assigned for:		
Infrastructure improvements		2,081,455
Unassigned fund balance		50,000
	Total Fund Balance	3,331,455
	Total Liabilities and Fund Balance	$ 3,332,323

See Notes to Financial Statements.

City of Fair Oaks Ranch Municipal Development District

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Year Ended September 30, 2024

		General Fund
Revenues		
Sales tax	$	510,915
Investment income		157,987
Total Revenues		668,902
Expenditures		
Current - General goverment:		
Management service fee to the City of Fair Oaks Ranch, Texas		30,150
Professional services		8,334
Insurance		50
Total Expenditures		38,534
Excess of Revenues Over (Under) Expenditures		630,368
Net Change in Fund Balances		630,368
Beginning fund balance		2,701,087
Ending Fund Balance	$	3,331,455

See Notes to Financial Statements.

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I. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

The most significant accounting policies of the District are described below.

A. 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.

B. Financial Statements Presentation

These financial statements include implementation of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Requirements of the statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations;
- Financial statements prepared using full accrual accounting for all of the District's activities;
- A change in the fund financial statements to focus on the major fund, which is prepared using modified accrual accounting.

GASB Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position and a statement of activities. It requires the classification of net position into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets**—This component of net position 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.
- **Restricted—**This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted—**This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information about the District as a whole.

Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs and grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, such as taxes and investment earnings, are presented as general revenues.

Governmental funds are those funds through which most governmental functions are typically financed.

The government reports only one governmental fund:

General Fund

The General Fund accounts for all financial resources of the District.

D. Measurement Focus and Basis of Accounting

The government-wide statements of net position and statements of activities are accounted for on a flow of economic resources measurement focus, accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operations of these activities are included on the balance sheet.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing resources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The District utilizes the modified accrual basis of accounting in the governmental fund type. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are 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 pay liabilities of the current period. For this purpose, the District considers revenues available if they are collected within 60 days of the end of the current period. Revenues susceptible to accrual include charges for services and interest on temporary investments.

Sales taxes and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Under modified accrual accounting, expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for interest on general long-term debt, which is recognized when due.

E. Assets, Liabilities, and Fund Equity or Net Position

1. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The District may invest its excess funds in any instruments authorized by the Public Funds Investment Act of Texas. Investments authorized under this Act include, but are not limited to, the following: obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; certificates of deposit issued by a state or financial institution domiciled in the State of Texas which is guaranteed or insured by the Federal Deposit Insurance Corporation ("FDIC") or otherwise secured; and certain repurchase agreements.

2. Fair Value

The District has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent:

- Nonspendable fund balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventories or prepaid amounts) or legally required to remain intact. Nonspendable items are not expected to be converted to cash within the next year.

- Restricted fund balance - represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation (such as municipal court fines).

- Committed fund balance - represents amounts than can only be used for specific purposes imposed by a formal action of the entity's highest level of decision-making authority, the Board of Directors. Committed resources cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by the same action previously used to commit those amounts. Commitments are typically done through adoption and amendment of the budget.

- Assigned fund balance - represents amounts the entity intends to use for specific purposes as expressed by the Board of Directors or an official delegated the authority to assign amounts. This is the residual classification for all governmental funds other than the general fund.

- Unassigned fund balance - represents the residual classification for the general fund or deficit fund balances in other funds.

4. Fund Balance Flow Assumptions

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

5. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

6. 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.

7. Federal Income Tax Status

As a City Municipal Development Corporation formed in accordance with Texas state statute, the District's income is derived from essential government function under the general definitions of a public agency of the state, a political subdivision thereof, or a municipality, as provided for by the Internal Revenue Code and as such is excludable from gross income. Therefore, no provision for income taxes is made in the financial statements.

8. Subscription Based Information Technology Arrangements ("SBITA")

The District adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements ("SBITA") in the prior year. 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.

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

9. 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.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general fund. The legal level of control is the fund level.

The following procedures are followed in establishing the budgetary data:

- Prior to September 30, the District prepares a budget for the next succeeding fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them.

- A meeting of the Board is then called for the purpose of adopting the proposed budget.

- Prior to September 30, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. The City Council of the City of Fair Oaks Ranch must also approve the budget and any amendments to that budget.

- All budget appropriations lapse at year end.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

Custodial credit risk – at September 30, 2024, the carrying amount of the District's deposits in the bank was $63,675 and the bank balance was the same. The bank balance was fully covered by federal deposit insurance as of September 30, 2024.

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.

As of September 30, 2024, the District had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
Investment pool - Texpool	$ 1,012,848	0.07
Investment pool - Texas CLASS	2,180,457	0.10
Total	$ 3,193,305	
Portfolio weighted average maturity		0.09

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.

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 District 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.

B. Receivables

The following comprise receivable balances of the District at year end:

	General
Sales tax	$ 75,342
Total	$ 75,342

IV. OTHER INFORMATION

A. Litigation

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

B. Subsequent Events

There were no material subsequent events warranting disclosure through January 3, 2025, the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Fair Oaks Ranch Municipal Development District

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Sales taxes	$ 450,000	$ 510,915	$ 60,915
Investment income	83,000	157,987	74,987
Total Revenues	533,000	668,902	135,902
Expenditures			
Current - General goverment:			
Administrative	500	-	500
Management service fee	30,150	30,150	-
Professional services	11,350	8,334	3,016
Insurance	50	50	-
Total Expenditures	42,050	38,534	3,516
Excess of Revenues Over (Under) Expenditures	490,950	630,368	139,418
Net Change in Fund Balance	$ 490,950	630,368	$ 139,418
Beginning fund balance		2,701,087	
Ending Fund Balance		$ 3,331,455	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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