



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



AGENDA TOPIC: Consideration and possible action authorizing the MDD President to sign a Professional Services Agreement for auditing services with BrooksWatson & Co.

DATE: July 9, 2025

DEPARTMENT: Finance

PRESENTED BY: Summer Fleming, CGFO, MDD Investment Officer

INTRODUCTION/BACKGROUND:

The Government Finance Officers Association (GFOA) recommends that state and local governmental entities obtain independent audits of their financial statements, performed in accordance with Generally Accepted Auditing Standards. Additionally, governmental entities should enter into multiyear agreements of at least five years in duration when obtaining the services of independent auditors. Such agreements allow for greater continuity and help to minimize the potential disruption in connection with the independent audit.

Last year, the City and the Municipal Development District (MDD) engaged BrooksWatson & Co. for audit services following seven years of service from ABIP PC. The transition to the new firm was successful — the audit was completed on schedule, within budget, and communication between staff and the auditors was clear and effective throughout the process.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

An independent audit of the financial statements is essential to upholding the integrity of the MDD's financial operations and maintaining public trust in its leadership. This agreement supports continuity in audit services by including an automatic renewal provision, while also preserving the MDD's flexibility to opt out of renewal if desired.

LONG TERM FINANCIAL & BUDGETARY IMPACT:

The negotiated fee with BrooksWatson & Co. for FY 2025-26 is \$4,850. If the agreement automatically renews, the cost will increase by 3% annually in subsequent years.

LEGAL ANALYSIS:

The Professional Services Agreement is a standard form approved by legal.

RECOMMENDATION/PROPOSED MOTION:

I move to authorize the MDD President to sign a professional services agreement with BrooksWatson & Co.