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## CITY COUNCIL REPORT CITY OF FAIR OAKS RANCH, TEXAS

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AGENDA TOPIC: Presentation of the Quarterly Financial and Investment Report for the Quarter Ended December 31, 2023.

DATE: February 15, 2024

DEPARTMENT: Finance

PRESENTED BY: Summer Fleming, Director of Finance

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### **INTRODUCTION/BACKGROUND:**

Best practices in financial transparency and reporting recommend at least quarterly reporting on the financial position of the City relative to the budget. The quarterly report provides a comprehensive update on the implementation of the budget and includes an updated forecast of the budget outcome for the fiscal year.

Pursuant to Texas Government Code Section 2256.023 and the City's Investment Policy Section 12, the Investment Officer is required, on a quarterly basis, to prepare and submit to City Council a written report of investment transactions that have occurred since the previous report, and the market value of current investments. The attached report is being made to comply with the reporting requirements for the quarter ended December 31, 2023.

### **POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

Frequent review and reporting of the City's investments is both prudent and necessary to confirm the City's investment portfolio is being managed according to the Investment Policy. Fiscal transparency informs City Council and citizens how the City spent tax revenues and is a critical element of effective public financial management.

### **LONGTERM FINANCIAL & BUDGETARY IMPACT:**

The Finance Department has updated its FY 2023-24 projections based on financial activity through December 31, 2023. In the General Fund, the department projects an increase in Property Taxes to budget of \$84,905 due to levy adjustments resulting from Appraisal Review Board action. Additionally, the projection for Fees and Services has been increased by \$150,000 for Tree Mitigation Fees collected, resulting in a projected increase in total revenues of \$234,905 over budget. Based on first quarter vacancies, personnel costs are projected to be \$316,244 less than budget in the General Fund, and \$37,712 less than budget in the Utility Fund.

Overall, the General Fund is projected to have a positive variance to budget totaling \$547,105 and the Utility Fund is projected to have a positive variance to budget totaling \$111,284. Projections are likely to change through analyzing results at the end of the second quarter of the fiscal year.

### **LEGAL ANALYSIS:**

Not applicable.

**RECOMMENDATION/PROPOSED MOTION:**

This report is for informational purposes only.