

Combined Debt Proposal (Adjusted for Inflation by City) (CIP as of 12-29-23)							
	2024	2025	2026	2027	2028	2029	Total
Roadways	\$ 509,429	\$ 1,075,253	\$ 2,898,622	\$ 2,994,568	\$ 3,416,075	\$ 3,032,718	\$ 13,926,665
Less: Cash/Grant Funding	509,429	-	-	-	-	-	509,429
General Obligation Bond Funding	\$ -	\$ 1,075,253	\$ 2,898,622	\$ 2,994,568	\$ 3,416,075	\$ 3,032,718	\$ 13,417,236
Drainage	\$ 64,829	\$ 519,444	\$ 324,480	\$ 523,062	\$ 272,331	\$ 493,853	\$ 2,197,999
Less: Cash/Grant Funding	64,829	249,044	324,480	367,405	272,331	393,854	1,671,943
Certificate of Obligation Funding	\$ -	\$ 270,400	\$ -	\$ 155,656	\$ -	\$ 99,999	\$ 526,056
Total General Fund Projects	\$ 574,258	\$ 1,594,697	\$ 3,223,102	\$ 3,517,629	\$ 3,688,406	\$ 3,526,571	\$ 16,124,663
Less: Cash/Grant Funding	574,258	249,044	324,480	367,405	272,331	393,854	2,181,372
Total General Fund Debt Funding	\$ -	\$ 1,345,653	\$ 2,898,622	\$ 3,150,224	\$ 3,416,075	\$ 3,132,717	\$ 13,943,291
Water System Improvements	\$ 3,051,547	\$ 1,701,332	\$ 4,596,257	\$ 5,100,985	\$ 300,408	\$ -	\$ 14,750,530
Less: Cash Funding	240,000	264,767	193,240	91,743	300,408	-	1,090,157
Debt Funding	\$ 2,811,547	\$ 1,436,566	\$ 4,403,017	\$ 5,009,242	\$ -	\$ -	\$ 13,660,372
Wastewater System Improvements	\$ -	\$ 2,632,240	\$ 3,154,521	\$ 1,170,736	\$ -	\$ -	\$ 6,957,497
Less: Cash Funding	-	107,626	113,521	179,487	-	-	400,634
Debt Funding	\$ -	\$ 2,524,614	\$ 3,041,000	\$ 991,249	\$ -	\$ -	\$ 6,556,863
Combined Utility Debt Funding	\$ 2,811,547	\$ 3,961,180	\$ 7,444,017	\$ 6,000,491	\$ -	\$ -	\$ 20,217,235
General Obligation Bonds							
Proposition A: Streets	\$ -	\$ 1,075,253	\$ 2,898,622	\$ 2,994,568	\$ 3,416,075	\$ 3,032,718	\$ 13,417,236
Street Projects	\$ 3,973,875	\$ -	\$ 2,994,568	\$ -	\$ 6,448,793	\$ -	\$ 13,417,236
Bond Par Amount (Rounded to \$5,000 Increment)	\$ 3,975,000	\$ -	\$ 2,995,000	\$ -	\$ 6,450,000	\$ -	\$ 13,420,000
Certificates of Obligation							
Drainage Projects (General Fund)	\$ -	\$ 270,400	\$ -	\$ 255,656	\$ -	\$ -	\$ 526,056
Water System Projects (Utility Fund)	\$ 4,248,113	\$ 4,403,017	\$ -	\$ 5,009,242	\$ -	\$ -	\$ 13,660,372
Wastewater System Projects (Utility Fund)	2,524,614	4,032,249	-	-	-	-	6,556,863
Total Utility Fund Projects	\$ 6,772,727	\$ 8,435,266	\$ -	\$ 5,009,242	\$ -	\$ -	\$ 20,217,235
Total Certificate of Obligation Projects	\$ 6,772,727	\$ 8,705,666	\$ -	\$ 5,264,898	\$ -	\$ -	\$ 20,743,291
CO Par Amount (Rounded to \$5,000 Increment)	\$ 6,775,000	\$ 8,710,000	\$ -	\$ 5,265,000	\$ -	\$ -	\$ 20,750,000
Total Debt (Bonds and COs)							
All Projects	\$ 10,746,602	\$ 8,705,666	\$ 2,994,568	\$ 5,264,898	\$ 6,448,793	\$ -	\$ 34,160,527
Bonds and COs Par Amount (Rounded to \$5,000 Increment)	\$ 10,750,000	\$ 8,710,000	\$ 2,995,000	\$ 5,265,000	\$ 6,450,000	\$ -	\$ 34,170,000

Costs of Issuance Analysis

Costs of Issuance (Assuming General Obligation Bonds and Certificates of Obligation - as contemplated above) ⁽¹⁾

City Cost of Conducting an Election ⁽²⁾	\$ 30,000
General Obligation Bonds, Series 2024	79,775
General Obligation Bonds, Series 2026	93,850
General Obligation Bonds, Series 2028	95,850
Certificates of Obligation, Series 2024	105,700
Certificates of Obligation, Series 2025	113,195
Certificates of Obligation, Series 2027	97,760
Total	\$ 616,130

⁽¹⁾ Costs of issuance includes financial advisor fee, bond counsel fee, rating agency fee, Texas Attorney General review fee, and paying agent fee.

⁽²⁾ Pertains to the cost to the City to conduct a bond election (ballot machines, etc.) as provided by City Staff.

Costs of Issuance (Assuming All Certificates of Obligation) ⁽¹⁾⁽²⁾

Certificates of Obligation, Series 2024	\$ 111,800
Certificates of Obligation, Series 2025	113,195
Certificates of Obligation, Series 2026	93,850
Certificates of Obligation, Series 2027	97,760
Certificates of Obligation, Series 2028	104,690
Total	\$ 521,295

⁽¹⁾ Costs of issuance includes financial advisor fee, bond counsel fee, rating agency fee, Texas Attorney General review fee, and paying agent fee.

⁽²⁾ It may be feasible, depending upon timing of projects to further reduce the number of financings by one series to achieve greater efficiency.

Comparison of Costs of Issuance Based Between General Obligation Bonds & Certificates of Obligation versus Certificates of Obligation

Total Cost of GO and CO Issuance Program	\$ 616,130
Total Cost of All CO Issuance Program	521,295
Potential Economic Benefit to City	\$ 94,835

**Fair Oaks Ranch, City of
Tax Rate Impact Analysis
January 3, 2024**

FYE (9/30)	TAV ⁽¹⁾	Existing Debt		\$3,975,000 GO's, Series 2024 ⁽²⁾	\$275,000 CO's, Series 2025 ⁽²⁾	\$2,995,000 GO's, Series 2026 ⁽²⁾	\$255,000 CO's, Series 2027 ⁽²⁾	\$6,450,000 GO's, Series 2028 ⁽²⁾	Projected Debt	
		Service	I&S ⁽³⁾						Service	I&S ⁽³⁾
2023	\$ 2,046,397,330	\$ 552,130	\$ 0.0268						\$ 552,130	\$ 0.0268
2024	2,388,156,944	553,163	0.0229						553,163	0.0229
2025	2,626,972,638	552,475	0.0210	\$ 462,800					1,015,275	0.0394
2026	2,758,321,270	550,950	0.0200	489,600	\$ 22,150				1,062,700	0.0393
2027	2,896,237,334	548,575	0.0189	132,600	21,700	\$ 417,875			1,120,750	0.0395
2028	3,041,049,201	550,888	0.0181	132,600	21,250	452,875	\$ 18,256		1,175,869	0.0395
2029	3,193,101,661	552,825	0.0173	132,600	20,800	119,750	22,863	\$ 354,750	1,203,588	0.0385
2030	3,193,101,661	548,100	0.0172	132,600	20,350	119,750	22,338	354,750	1,197,888	0.0383
2031	3,193,101,661	-	-	309,000	19,900	217,250	21,813	563,838	1,131,800	0.0362
2032	3,193,101,661	-	-	306,700	19,450	217,125	21,288	566,600	1,131,163	0.0361
2033	3,193,101,661	-	-	309,100	19,000	216,750	20,763	563,675	1,129,288	0.0361
2034	3,193,101,661	-	-	311,100	18,550	216,125	20,238	565,063	1,131,075	0.0361
2035	3,193,101,661	-	-	307,800	22,988	220,125	19,713	565,625	1,136,250	0.0363
2036	3,193,101,661	-	-	309,200	22,313	218,750	19,188	565,363	1,134,813	0.0363
2037	3,193,101,661	-	-	310,200	21,638	217,125	18,663	564,275	1,131,900	0.0362
2038	3,193,101,661	-	-	310,800	20,963	220,125	18,138	562,363	1,132,388	0.0362
2039	3,193,101,661	-	-	311,000	20,288	217,750	22,481	564,488	1,136,006	0.0363
2040	3,193,101,661	-	-	310,800	19,613	215,125	21,694	565,513	1,132,744	0.0362
2041	3,193,101,661	-	-	310,200	18,938	217,125	20,906	565,438	1,132,606	0.0362
2042	3,193,101,661	-	-	309,200	23,150	218,625	20,119	564,263	1,135,356	0.0363
2043	3,193,101,661	-	-	307,800	22,250	219,625	19,331	561,988	1,130,994	0.0361
2044	3,193,101,661	-	-	306,000	21,350	215,250	18,544	563,475	1,124,619	0.0359
2045	3,193,101,661	-	-	-	20,450	215,500	22,625	563,588	822,163	0.0263
2046	3,193,101,661	-	-	-	-	215,250	21,575	562,325	799,150	0.0255
2047	3,193,101,661	-	-	-	-	-	20,525	564,550	585,075	0.0187
2048	3,193,101,661	-	-	-	-	-	-	565,125	565,125	0.0181
Total		\$ 4,409,105		\$ 5,811,700	\$ 417,088	\$ 4,587,875	\$ 411,056	\$ 10,867,050	\$ 26,503,874	

⁽¹⁾ Assumes 10% growth for 1 year and 5% for 4 years and no growth thereafter.

⁽²⁾ Preliminary, subject to change. Interest calculated to be 4.00% for Series 2024, 4.50% for Series 2025, 5.00% for Series 2026, 5.25% for Series 2027 and 5.50% for Series 2028 for illustrative purposes only.

⁽³⁾ FYE 2025 and beyond assume 98% tax collections.

Homeowner Impact Analysis (I&S Rate Only)				
Taxable Home Value (Net of Exemptions)		I&S Tax Rate Increase from Current (FYE 2024)	Monthly Tax Increase	Annual Tax Increase
\$	400,000	\$ 0.0166	\$ 5.53	\$ 66.35
	500,000	0.0166	6.91	82.93
	650,000	0.0166	8.98	107.81
	800,000	0.0166	11.06	132.69
	1,000,000	0.0166	13.82	165.86
	1,250,000	0.0166	17.28	207.33
	1,500,000	0.0166	20.73	248.80

City of Fair Oaks Ranch, Texas
Water and Sewer Fund Proforma
January 3, 2024

FYE (9/30)	# of Water Connections (1)	# of Wastewater Connections (1)	Revenues (2)	Expenditures (2)	Available for Debt Service	Existing Debt				Rate Increase Calculations (4)						
						Service	Series 2024 (3)	Series 2025 (3)	Series 2027 (3)	Total	Total Water Debt Service	Revenue Surplus/ (Deficit)	Monthly Water Increase Required	Total Wastewater Debt Service	Monthly Wastewater Increase Required	
2023	3197	1977	\$ 6,552,783	\$ 5,121,832	\$ 1,430,951	\$ 339,746					\$ 339,746	\$ 285,386	\$ 1,091,206	\$ -	\$ 45,662	\$ -
2024	3213	1989	6,552,783	5,121,832	1,430,951	336,514					336,514	282,671	1,094,438	(0.07)	45,227	(0.02)
2025	3229	1999	6,552,783	5,121,832	1,430,951	338,256	\$ 614,000				952,256	552,135	478,695	6.88	391,462	14.42
2026	3245	2009	6,552,783	5,121,832	1,430,951	334,974	404,000	\$ 599,738			1,338,711	841,353	92,240	14.28	488,783	18.38
2027	3261	2019	6,552,783	5,121,832	1,430,951	336,666	398,000	599,388			1,334,054	834,274	96,898	14.03	491,160	18.39
2028	3278	2029	6,552,783	5,121,832	1,430,951	338,308	392,000	593,700	\$ 263,025		1,587,033	1,090,179	(156,082)	20.46	488,194	18.18
2029	3294	2039	6,552,783	5,121,832	1,430,951	160,808	537,900	587,788	263,025		1,549,521	1,084,479	(118,570)	20.22	460,925	16.97
2030	3294	2039	6,552,783	5,121,832	1,430,951	-	506,100	654,963	428,563		1,589,625	1,100,050	(158,674)	20.61	489,575	18.14
2031	3294	2039	6,552,783	5,121,832	1,430,951	-	504,500	655,000	429,375		1,588,875	1,095,575	(157,924)	20.50	493,300	18.29
2032	3294	2039	6,552,783	5,121,832	1,430,951	-	502,500	654,363	429,663		1,586,525	1,099,938	(155,574)	20.61	486,588	18.02
2033	3294	2039	6,552,783	5,121,832	1,430,951	-	500,100	657,938	429,425		1,587,463	1,098,025	(156,512)	20.56	489,438	18.14
2034	3294	2039	6,552,783	5,121,832	1,430,951	-	502,200	655,725	428,663		1,586,588	1,099,838	(155,637)	20.60	486,750	18.03
2035	3294	2039	6,552,783	5,121,832	1,430,951	-	503,700	657,725	432,244		1,593,669	1,105,144	(162,718)	20.74	488,525	18.10
2036	3294	2039	6,552,783	5,121,832	1,430,951	-	499,700	658,825	430,169		1,588,694	1,099,044	(157,743)	20.58	489,650	18.15
2037	3294	2039	6,552,783	5,121,832	1,430,951	-	500,200	659,025	432,438		1,591,663	1,101,538	(160,712)	20.65	490,125	18.17
2038	3294	2039	6,552,783	5,121,832	1,430,951	-	500,100	658,325	429,050		1,587,475	1,097,525	(156,524)	20.55	489,950	18.16
2039	3294	2039	6,552,783	5,121,832	1,430,951	-	504,300	656,725	430,006		1,591,031	1,097,006	(160,080)	20.53	494,025	18.32
2040	3294	2039	6,552,783	5,121,832	1,430,951	-	502,800	659,113	430,175		1,592,088	1,099,738	(161,137)	20.60	492,350	18.26
2041	3294	2039	6,552,783	5,121,832	1,430,951	-	500,700	655,488	429,556		1,585,744	1,095,719	(154,793)	20.50	490,025	18.16
2042	3294	2039	6,552,783	5,121,832	1,430,951	-	502,900	655,850	433,019		1,591,769	1,104,719	(160,818)	20.73	487,050	18.04
2043	3294	2039	6,552,783	5,121,832	1,430,951	-	504,300	659,975	430,563		1,594,838	1,101,625	(163,887)	20.65	493,213	18.29
2044	3294	2039	6,552,783	5,121,832	1,430,951	-	504,900	657,863	432,188		1,594,950	1,106,438	(163,999)	20.77	488,513	18.10
2045	3294	2039	6,552,783	5,121,832	1,430,951	-	-	659,513	427,894		1,087,406	780,656	343,545	12.53	306,750	10.67
2046	3294	2039	6,552,783	5,121,832	1,430,951	-	-	-	432,550		432,550	432,550	998,401	3.72	-	(1.87)
2047	3294	2039	6,552,783	5,121,832	1,430,951	-	-	-	431,025		431,025	431,025	999,926	3.68	-	(1.87)
Total						\$ 2,185,271	\$ 9,884,900	\$ 12,897,025	\$ 8,272,613	\$ 33,239,808	\$ 23,116,627			\$ 10,067,238		

(1) Provided by the City.

(2) Based on FYE 2022 audited results. Revenues include Interest Income and exclude Grant Income. Expenditures exclude depreciation and debt service.

(3) Preliminary, subject to change. Interest calculated to be 4.00% for Series 2024, 4.50% for Series 2025 and 5.25% for Series 2027 for illustrative purposes only.

(4) Maximum projected shortfall would require a \$20.77 and \$18.39 per connection per month increase for water and wastewater services, respectively, to support financed projects. Calculated by subtracting FYE2023 debt service payment from total debt service payment in future years and dividing by the number of customers in that year and then by 12 months.