



## Filing Receipt

**Received - 2022-11-21 04:58:38 PM**  
**Control Number - 54147**  
**ItemNumber - 8**

**DOCKET NO. 54147**

|  |          |                                  |
|--|----------|----------------------------------|
| <b>APPLICATION OF ROLLING V RANCH</b>    | <b>§</b> | <b>PUBLIC UTILITY COMMISSION</b> |
| <b>WATER CONTROL AND IMPROVEMENT</b>     | <b>§</b> |                                  |
| <b>DISTRICT NO. 3 OF WISE COUNTY FOR</b> | <b>§</b> | <b>OF TEXAS</b>                  |
| <b>A CERTIFICATE OF CONVENIENCE AND</b>  | <b>§</b> |                                  |
| <b>NECESSITY AND FOR DUAL</b>            | <b>§</b> |                                  |
| <b>CERTIFICATION WITH THE CITY OF</b>    | <b>§</b> |                                  |
| <b>RHOME IN WISE COUNTY</b>              |          |                                  |

**ROLLING V RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3'S  
REQUEST FOR GOOD CAUSE EXCEPTION**

Rolling V Water Control and Improvement District No. 3 of Wise County ("District") files its Request for Good Cause Exception to file documents requested under Rule 24.11(B)(i) relating to Applicant's independently audited year-end financial statements for the most recent fiscal year including the "unqualified opinion" of the auditor. Applicant requests a good cause exception to this requirement pursuant to Tex. Water Code § 49.198. Tex. Water Code § 49.198 provides the requirements for an audit report exemption for a water district such as the District. Tex. Water Code § 49.198 provides in relevant part that:

A district may elect to file annual financial reports with the executive director in lieu of the district's compliance with Section 49.191 provided:

- (1) the district had no bonds or other long-term (more than one year) liabilities outstanding during the fiscal period;
- (2) the district did not have gross receipts from operations, loans, taxes, or contributions in excess of \$250,000 during the fiscal period; and
- (3) the district's cash and temporary investments were not in excess of \$250,000 during the fiscal period.

Currently, the District is funding its operating costs through developer advances. The District meets the audit exemption requirements under Section 49.198 and in the alternative hereby provides the annual financial reports that were filed by the District with the Texas Commission on Environmental Quality. The annual financial reports are attached hereto as Exhibit A. In addition to the annual financial reports, attached as Exhibits B and C are letters from the financial advisor for the District, as well as a letter from the lender working with the

developer. The developer has entered into a reimbursement agreement with the District and the developer has agreed to advance construction funds on behalf of the District until the District's taxable assessed valuation grows. The District will be able to generate revenue as the homes within the District are constructed and the assessed valuation of the District increases. As the assessed valuation increases, the District will finance the facilities with the issuance of bonds and the tax revenues from the residents that will live in the District as homes are constructed.

The District believes the documents included with this filing sufficiently answer the financial test requirements and the District requests a good cause exception to the audit requirement. For the reasons discussed above, the District respectfully requests an exception to the audit requirement.

Respectfully submitted,

WINSTEAD PC

/s/ Scott W. Eidman  
Scott W. Eidman  
State Bar No. 24078468  
[seidman@winstead.com](mailto:seidman@winstead.com)

2728 N. Harwood Street  
Suite 500  
Dallas Texas 75201  
Telephone: (214) 745-5484  
Facsimile: (214) 745-5390

**ATTORNEY FOR ROLLING V RANCH  
WATER CONTROL AND IMPROVEMENT  
DISTRICT NO. 3 OF WISE COUNTY**

**CERTIFICATE OF SERVICE**

I hereby certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on November 21, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Scott W. Eidman

Scott W. Eidman

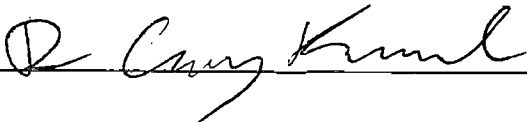
## **Exhibit A**

Authorization for the Filing of:

**Texas Commission on Environmental Quality  
Annual Financial Report No. TCEQ-0722  
Fiscal Year Ended 4/30/2021**

This Authorization is for the filing of the Texas Commission on Environmental Quality Annual Financial Report No. TCEQ-0722 for the Fiscal Year Ended 4/30/2021 that was compiled by our bookkeeping firm Dye & Toverly, LLC, signed by and filed on 6/7/2021. A copy will be sent to your attorney upon signing of this authorization.

We, the board **Rolling V Ranch Water Control and Improvement District No. 3 of Wise County** reviewed and agree with the figures presented in this report, believing them to be true to the best of our knowledge. We have not reviewed the financial records ourselves and we are aware that this Financial Report is in accordance with TCEQ Rules and that this form is in the place annual audit that would be prepared by an outside firm.

Signed:  Title: President

Date: 10/5/21

*D.T.*  
**Dye & Tover, LLC**

P.O. Box 863657  
Plano, TX 75086-3657  
Telephone (972) 612-0088  
Facsimile (972) 612-0098

June 7, 2021

To the Board of Supervisors of  
Rolling V Ranch WCID No. 3 of Wise County  
c/o Winstead P.C.  
2728 N. Harwood, Ste 500  
Dallas, TX 75201

Management is responsible for the accompanying financial statements of Rolling V Ranch WCID No. 3 of Wise County (a government entity), which comprise a statement of assets and liabilities – cash basis as of April 30, 2021, and the related statement of receipts and disbursements – cash basis for the year then ended, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the Texas Commission on Environmental Quality (TCEQ) and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

The supplementary information required by the Texas Commission on Environmental Quality is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

This report is intended solely for the information and use of management and board of directors of Rolling V Ranch WCID No. 3 of Wise County, and the Texas Commission on Environmental Quality and is not intended to be and should not be used by anyone other than these specified parties.

We are not independent with respect to Rolling V Ranch WCID No. 3 of Wise County

Dye & Tover, LLC

*Dye & Tover, LLC*

Physical Address:  
2321 Coit Road, Suite B  
Plano, TX 75075

Email Addresses:  
kathi@DyeToveryCPA.com  
kerry@DyeToveryCPA.com  
regina@DyeToveryCPA.com  
brandi@DyeToveryCPA.com  
debbie@DyeToveryCPA.com



# ANNUAL FINANCIAL REPORT

Of

|                                      |   |
|--------------------------------------|---|
| Legal Name of District or Authority: | Rolling V Ranch WCID No. 3 of Wise County |
| For the Fiscal Year Ended:           | 04/30/2021                                |
| Preparer:                            | Kathi Dye                                 |
| Title:                               | District Bookkeeper                       |
| Date:                                | 6-7-2021                                  |
| Telephone Number: (AC)               | (972) 612-0088                            |

|  |             |          |
|--|-------------|----------|
| c/o Winstead, P.C. 2728 N Harwood, Ste 500 | Dallas, TX  | 75201    |
| District's Mailing Address                 | City, State | Zip Code |

## AUDIT REPORT EXEMPTION

Texas Water Code §49.198. AUDIT REPORT EXEMPTION (effective September 1, 2011)

§49.198(a) A district may elect to file annual financial reports with the executive director in lieu of the district's compliance with Section 49.191 provided:

§49.198(a)(1) The district had no bonds or other long-term (more than one year) liabilities outstanding during the fiscal period;

§49.198(a)(2) The district did not have gross receipts from operations, loans, taxes, or contributions in excess of \$250,000 during the fiscal period; and

§49.198(a)(3) The district's cash and temporary investments were not in excess of \$250,000 during the fiscal period.

§49.198(b) The annual financial report must be accompanied by an affidavit attesting to the accuracy and authenticity of the financial report signed by a duly authorized representative of the district.

§49.198(c) The annual financial report and affidavit in a format prescribed by the executive director must be on file with the executive director within 45 days after the close of the district's fiscal year.

§49.198(d) Districts governed by this section are subject to periodic audits by the executive director.

If the accompanying financial statements are compiled by a certified public accountant, see SSARS-1 and SSARS-7 for the applicable standards for reporting on compiled financial statements.



# FILING AFFIDAVIT

To: Texas Commission on Environmental Quality

Under the penalties of perjury, I certify that I have inspected the attached balance sheet, statement of receipts and disbursements, including the accompanying schedules and statements, and to the best of my knowledge and belief, they are a true, correct, and complete representation of the financial condition of:

Rolling V Ranch WCID No. 3 of Wise County

as of

04/30/2021

(Name of District)

(Date of Fiscal Year End)

I also certify that the above district has complied in full

with all filing of audits, affidavits, and financial reports requirements of Section 49.194 of the Texas Water Code by filing copies of this Annual Financial Report in the district's office, located at:

2728 N. Harwood St., Ste 500; Dallas TX 75201

(Address of District)

Kathi Dye, Bookkeeper - See Accts' Compilation Report

(Typed Name and Title)

Kathi Dye

(Signature of Affiant)

6-7-21

(Date)

Subscribed and Sworn to before me by this 7th day of June

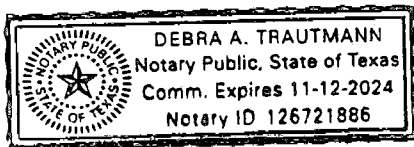
in the year 2021 In and For Collin County, Texas

Debra A. Trautmann

(Typed Name of Notary)

11-12-2024

(My Commission Expires On)



District Name: Rolling V Ranch WCID No. 2

**MISCELLANEOUS DISCLOSURES AND MAILING INFORMATION**

as of the District's Fiscal Year-End

**A. Disclosures to comply with Rule 30 TAC 293.95(b)**

- (1) Was there any developer activity to prepare for residential or commercial development? "Developer activity" means construction performed or actions taken in preparation for construction (i.e., plans, permits) to provide services for or access to present or future residential or commercial water, sewer or drainage facilities. ☒ Yes ☐ No

If yes, have payments for these facilities been made by (an) other party (ies) on behalf of the district? ☒ Yes ☐ No

These payments are estimated to cumulatively be:

|                     |              |
|---------------------|--------------|
| Organization Costs  | 110,000.00   |
| Construction Costs  | 32,000.00    |
| Administration Cost | 1,083,000.00 |
| Total Costs         | 1,225,000.00 |

- (2) Was the Board aware of any other types of contingent or actual liabilities (e.g., claims, lawsuits) which are not disclosed elsewhere in this report? ☐ Yes ☒ No

If yes, explain: \_\_\_\_\_

- B. Disclosures to comply with V.T.C.A. Water Code §49.054(e) and §49.455(j).** The Texas Commission on Environmental Quality must be notified of any changes in boundaries, board members, board terms, and addresses. Guidance for filing this information and a District Registration Form may be obtained by calling 512/239-4691.

- C. Additional Information.** This report should be sent to:

District Creation Review Team, MC-152  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, TX 78711-3087

Phone Number: (512) 239-4691 Facsimile Number: (512) 239-6190

**STATEMENT OF ASSETS AND LIABILITIES – CASH BASIS**

April 30, 2021

| Asset Type  |  | Amount |
|---|--|--------|
| Cash on Hand  |  |        |
| Cash in Bank (Schedule A)                           |  | 1,692  |
| Investment (Schedule B)                             |  |        |
| Total Cash and Investments <sup>i</sup>             |  | 1,692  |
| Accrued Interest Receivable – Optional (Schedule B) |  |        |
| Inventory   |  |        |
| General Fixed Assets                                |  |        |
| Other Assets  |  |        |
| (Explain):  |  |        |
| Total Assets: <sup>ii</sup>                         |  | 1,692  |

| LIABILITIES AND EXCESS                      |                     | Amount |
|---|---------------------|--------|
| Notes Payable                               |                     |        |
| Refundable Deposits                         |                     |        |
| Developer Advances                          |                     |        |
| Other Liabilities                           |                     |        |
| (Explain):                                  | Payroll Liabilities | 367    |
| Total Liabilities                           |                     | 367    |
| Excess Assets Over Liabilities              |                     | 1,325  |
| Total Liabilities and Excess <sup>iii</sup> |                     | 1,692  |

**Note to Preparer:**

<sup>i</sup> “Total Cash and Investments” must equal “Cash and Investments – End of Year” on the Statement of Receipts and Disbursement”, page 5.

<sup>ii</sup> Must equal “Total Liabilities and Excess”

<sup>iii</sup> Must equal “Total Assets”

## STATEMENT OF RECEIPTS AND DISBURSEMENTS – CASH BASIS

| Receipts                         |  | Amount |
|----------------------------------|--|--------|
| Service Revenues                 |  |        |
| Tax Receipts                     |  |        |
| Penalty and Interest Received    |  |        |
| Interest Received on Investments |  |        |
| Loans or Advances                |  | 5,703  |
| All Other Receipts               |  |        |
| (Explain):                       |  |        |
| Total Receipts                   |  | 5,703  |

| Less Disbursements                                    |  | Amount |
|---|--|--------|
| Purchased Services for Resale                         |  |        |
| Payroll   |  | 2,584  |
| Legal, Accounting, or Contract Service                |  |        |
| Supplies and Materials                                |  |        |
| Maintenance   |  |        |
| Note Payments and Repayment of Advances               |  |        |
| All other Disbursements (Schedule C)                  |  | 1,427  |
| Total Disbursements                                   |  | 4,011  |
| Excess of Receipts Over (under) Disbursements         |  | 1,692  |
| Cash and Investments – Beginning of Year              |  | 0      |
| Cash and Investment – End of Year (see Note 1 Page 4) |  | 1,692  |

**Note to Preparer:** In addition to all disbursements related to the purchase of consumable supplies and materials, certain assets of insignificant value may be considered consumable and accordingly recognized under the account classification "Supplies and Materials." Please refer to Explanation of Terms, General Fixed Assets, pages 7 and 8 of this report, for additional clarification.

## SCHEDULE A 1 – CASH IN BANK<sup>i</sup>

| Name of Bank        | Account Number  | Purpose of Account | Balance |
|---------------------|-----------------|--------------------|---------|
| Plains Capital Bank | Operating Funds |                    | 1,692   |
|                     |                 |                    |         |
|                     |                 |                    |         |
| TOTAL               |                 |                    | 1,692   |

## SCHEDULE B – INVESTMENTS<sup>ii</sup>

| Type of Investment | Name of Bank | Certificate Number | Interest Rate | Maturity Date | Principal Balance | (Optional) Accrued Interest |
|--------------------|--------------|--------------------|---------------|---------------|-------------------|-----------------------------|
|                    |              |                    | 0.00%         |               |                   |                             |
|                    |              |                    | 0.00%         |               |                   |                             |
|                    |              |                    | 0.00%         |               |                   |                             |
|                    |              |                    | 0.00%         |               |                   |                             |
| TOTALS             |              |                    |               |               |                   |                             |

## SCHEDULE C – SCHEDULE OF ALL OTHER DISBURSEMENTS<sup>iii</sup>

| Description of Disbursements <sup>iv</sup> | Amount |
|--|--------|
| Insurance                                  | 1,795  |
| Miscellaneous                              | (368)  |
|  |        |
|  |        |
|  |        |
|  |        |
| TOTAL                                      | 1,427  |

<sup>i</sup> Please refer to Explanation of Terms, Cash in Bank, page 7 of this report, for proper reporting.

<sup>ii</sup> Please refer to Explanation of Terms, Investments, page 8 of this report, for proper reporting of "Principal Balance" and "Accrued Interest."

<sup>iii</sup> Please refer to Explanation of Terms, All Other Disbursements, page 7 of this report, for proper reporting of "All Other Disbursements."

<sup>iv</sup> A description should be given for each type of transaction and the amount of payments attributable to this type of disbursement. It may not be necessary to list each transaction separately.

# EXPLANATION OF TERMS

**All Other Disbursements** - This classification should be used only for payments, which cannot be classified properly in the six remaining accounts listed on the Statement of Receipts and Disbursements. Schedule C, page 6, should be completed for any report, which utilizes the "All Other Disbursements" classification.

**Cash Basis** - The financial statements contained in this report are to be prepared on the cash basis of accounting. They are not intended to be in conformity with Generally Accepted Accounting Principles (GAAP). Only transactions involving the exchange of cash should be included in these statements. No liabilities should be recorded unless they arise from the transfer of money. Exceptions to this rule are listed in "Investments" and "General Fixed Assets" below. Receipts and disbursements should not be recorded until payment is made. For the purpose of the Statement of Receipts and Disbursements, movement of funds between checking accounts and investments should not be considered as receipts or disbursements.

**Cash on Hand** - Petty cash, checks, money orders, and bank drafts not on deposit.

**Cash in Bank** - (From Schedule A) - Cash deposited in the district's checking account(s). The reserves, restrictions, or limitations as to its availability should be so stated. The total amount shown on Schedule A must reflect the reconciled balance as of the fiscal year end and reported under the account classification "Cash in Bank" on the Balance Sheet.

**Developer Advances** - Amounts owed to a developer for cash placed in the district's account or otherwise paid to the district. However, amounts payable to a developer for which repayment is contingent upon a bond sale (or some other event) should not be included as a liability of the district. Please see the Miscellaneous Disclosures, page 3 of this report, for disclosure of these contingent liabilities.

**Disbursements** - All transactions involving the disbursement of the district's fund should be included in the disbursements section. Payments made on behalf of the district by a third party should not be listed as a disbursement for the purpose of this statement. See the Miscellaneous Disclosures, page 3, of this report, for disclosures of these payments.

**Excess Assets Over Liabilities** - The difference between "Total Assets" and "Total Liabilities." If liabilities exceed assets, this number should be shown as a negative amount.

**General Fixed Assets** - A fixed asset is one which the cost exceeds \$50 and has a productive life longer than one year. "Fixed" denotes the intent to continue use or possession; it does not indicate the immobility of the asset. An asset of cost not in excess of \$50 should be considered consumable and accordingly recognized under the account classification "Supplies and Materials" on the Statement of Receipts and Disbursements. A fixed asset purchased through the issuance of a short-term note payable should be reported as an asset at its full cost even though no cash transaction may have taken place. Likewise, the corresponding note payable should be reported in the liability section of the Balance Sheet. Fixed assets donated to the district by a developer should be included as "General Fixed Assets" on the Balance Sheet. However, no amounts should be recorded on the Statement of Receipts and Disbursements for this type of transaction. The Credit offset to the fixed asset will be included in "Excess Assets over Liabilities" on the Balance Sheet.

**Investments (From Schedule B)** - List the types of investments (certificates of deposit, savings accounts, securities) which generate income in the form of interest. This should not include any amounts listed on Schedule A as "Cash in Bank." The total amount shown on Schedule B for "Principal Balance" must be reported under the account classification "Investments" on the Balance Sheet. At the option of the preparer, any interest earned on investments but not yet received may be reported as "Accrued Interest" on Schedule B and in the Asset section of the Balance Sheet. Under no circumstance should accrued interest be included in "Interest Received

on Investments" under "Receipts" on page 5. "Interest Received on Investments" should include only amounts actually received during the fiscal year.

**Inventories** - The cost of materials and other items purchased for use during the fiscal year by which are not completely consumed by the end of the fiscal year.

**Notes Payable** - The total outstanding principal of short-term loans, which mature within one year of their issuance.

**Other Liabilities** - Only liabilities arising from the receipt of cash which cannot be properly classified in one of the other liability accounts should be listed in this classification along with a brief explanation of this liability. Accounts payable, accrued interest, and contracts payable should not be listed as liabilities in this report.

**Receipts** - All transactions involving the receipt of cash during the fiscal year should be included in the Receipts section. Only those amounts actually received during the fiscal year should be included. Amounts received for which repayment is contingent upon a bond sale (or some other event) should be included here. (See "Developer Advances" above for treatment of the contingent liability.)

**Refundable Deposits** - This amount reflects a liability arising from the receipt of deposits from customers, which will be refunded to the customer at some future date, based on the terms and conditions of the deposit agreement.

**Rounding Instructions** - Please round to the nearest whole dollar amount. For example:

\$467.50 should be rounded up to \$468 and \$3,678.49 should be rounded down to \$3,678.

Authorization for the Filing of:

Texas Commission on Environmental Quality  
Annual Financial Report No. TCEQ-0722  
Fiscal Year Ended 4/30/2022

This Authorization is for the filing of the Texas Commission on Environmental Quality Annual Financial Report No. TCEQ-0722 for the Fiscal Year Ended 4/30/2022 that was compiled by our bookkeeping firm Dye & Toverly, LLC, signed by and filed on 6/24/2022. A copy will be sent to your attorney upon signing of this authorization.

We, the board **Rolling V Ranch WCID No. 3 of Wise County** reviewed and agree with the figures presented in this report, believing them to be true to the best of our knowledge. We have not reviewed the financial records ourselves and we are aware that this Financial Report is in accordance with TCEQ Rules and that this form is in the place annual audit that would be prepared by an outside firm.

Signed: Craig Krummel Title: President

Date: July 12, 2022





## *Dye & Tovery, LLC*

P.O. Box 863657  
Plano, TX 75086-3657  
Telephone (972) 612-0088  
Facsimile (972) 612-0098

June 23, 2022

To the Board of Supervisors of  
Rolling V Ranch WCID No. 3 of Wise County  
c/o Winstead P.C.  
2728 N. Harwood, Ste 500  
Dallas, TX 75201

Management is responsible for the accompanying financial statements of Rolling V Ranch WCID No. 3 of Wise County (a government entity), which comprise a statement of assets and liabilities – modified cash basis as of April 30, 2022, and the related statement of receipts and disbursements – modified cash basis for the year then ended, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

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This report is intended solely for the information and use of management and board of directors of Rolling V Ranch WCID No. 3 of Wise County, and the Texas Commission on Environmental Quality and is not intended to be and should not be used by anyone other than these specified parties.

We are not independent with respect to Rolling V Ranch WCID No. 3 of Wise County

*Dye & Tovery, LLC*  
Dye & Tovery, LLC

Physical Address:  
2321 Coit Road, Suite B  
Plano, TX 75075

Email Addresses:  
kathi@DyeToveryCPA.com  
kerry@DyeToveryCPA.com  
regina@DyeToveryCPA.com  
brandi@DyeToveryCPA.com  
debbie@DyeToveryCPA.com



# ANNUAL FINANCIAL REPORT

Of

|                                      |   |
|--------------------------------------|---|
| Legal Name of District or Authority: | Rolling V Ranch WCID No. 3 of Wise County |
| For the Fiscal Year Ended:           | 04/30/2022                                |
| Preparer:                            | Kathi Dye                                 |
| Title:                               | District Bookkeeper                       |
| Date:                                | 6-23-22                                   |
| Telephone Number: (AC)               | (972) 612-0088                            |

|  |             |          |
|--|-------------|----------|
| c/o Winstead, P.C. 2728 N Harwood, Ste 500 | Dallas, TX  | 75201    |
| District's Mailing Address                 | City, State | Zip Code |

## AUDIT REPORT EXEMPTION

Texas Water Code §49.198. AUDIT REPORT EXEMPTION (effective September 1, 2011)

§49.198(a) A district may elect to file annual financial reports with the executive director in lieu of the district's compliance with Section 49.191 provided:

§49.198(a)(1) The district had no bonds or other long-term (more than one year) liabilities outstanding during the fiscal period;

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§49.198(c) The annual financial report and affidavit in a format prescribed by the executive director must be on file with the executive director within 45 days after the close of the district's fiscal year.

§49.198(d) Districts governed by this section are subject to periodic audits by the executive director.

If the accompanying financial statements are compiled by a certified public accountant, see SSARS-1 and SSARS-7 for the applicable standards for reporting on compiled financial statements.

# FILING AFFIDAVIT

To: Texas Commission on Environmental Quality

Under the penalties of perjury, I certify that I have inspected the attached balance sheet, statement of receipts and disbursements, including the accompanying schedules and statements, and to the best of my knowledge and belief, they are a true, correct, and complete representation of the financial condition of:

Rolling V Ranch WCID No. 3 of Wise County

as of

(Name of District)

04/30/2022

(Date of Fiscal Year End)

I also certify that the above district has complied in full

with all filing of audits, affidavits, and financial reports requirements of Section 49.194 of the Texas Water Code by filing copies of this Annual Financial Report in the district's office, located at:

2728 N. Harwood St., Ste 500; Dallas TX 75201

(Address of District)

Kathi Dye, Bookkeeper - See Accts' Compilation Report

(Typed Name and Title)

Kathi Dye 6-23-22

(Signature of Affiant)

(Date)

Subscribed and Sworn to before me by this 23rd day of June

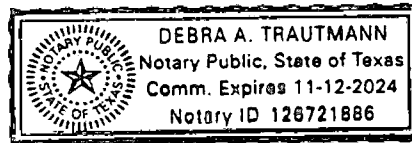
in the year 2022 In and For Collin County, Texas

Debra A. Trautmann

11-12-2024

(Typed Name of Notary)

(My Commission Expires On)



District Name: Rolling V Ranch WCID No. 3

**MISCELLANEOUS DISCLOSURES AND MAILING INFORMATION**

as of the District's Fiscal Year-End

**A. Disclosures to comply with Rule 30 TAC 293.95(b)**

- (1) Was there any developer activity to prepare for residential or commercial development? "Developer activity" means construction performed or actions taken in preparation for construction (i.e., plans, permits) to provide services for or access to present or future residential or commercial water, sewer or drainage facilities. ☒ Yes ☐ No

If yes, have payments for these facilities been made by (an) other party (ies) on behalf of the district? ☒ Yes ☐ No

These payments are estimated to cumulatively be:

|                     |                  |
|---------------------|------------------|
| Organization Costs  | <u>40,000</u>    |
| Construction Costs  | <u>1,700,000</u> |
| Administration Cost | <u>90,000</u>    |
| Total Costs         | <u>1,830,000</u> |

- (2) Was the Board aware of any other types of contingent or actual liabilities (e.g., claims, lawsuits) which are not disclosed elsewhere in this report? ☐ Yes ☒ No

If yes, explain: \_\_\_\_\_

- 
- B. Disclosures to comply with V.T.C.A. Water Code §49.054(e) and §49.455(j).** The Texas Commission on Environmental Quality must be notified of any changes in boundaries, board members, board terms, and addresses. Guidance for filing this information and a District Registration Form may be obtained by calling 512/239-4691.

- C. Additional Information.** This report should be sent to:

District Creation Review Team, MC-152  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, TX 78711-3087  
Phone Number: (512) 239-4691 Facsimile Number: (512) 239-6190

**STATEMENT OF ASSETS AND LIABILITIES – MODIFIED CASH BASIS**

April 30, 2022

| Asset Type  |  | Amount |
|---|--|--------|
| Cash on Hand  |  |        |
| Cash in Bank (Schedule A)                           |  | 5,372  |
| Investment (Schedule B)                             |  |        |
| Total Cash and Investments <sup>i</sup>             |  | 5,372  |
| Accrued Interest Receivable – Optional (Schedule B) |  |        |
| Inventory   |  |        |
| General Fixed Assets                                |  |        |
| Other Assets  |  |        |
| (Explain):  |  |        |
| Total Assets: <sup>ii</sup>                         |  | 5,372  |

| LIABILITIES AND EXCESS                      |                     | Amount |
|---|---------------------|--------|
| Notes Payable                               |                     |        |
| Refundable Deposits                         |                     |        |
| Developer Advances                          |                     |        |
| Other Liabilities                           |                     |        |
| (Explain):                                  | Payroll Liabilities | 413    |
| Total Liabilities                           |                     | 413    |
| Excess Assets Over Liabilities              |                     | 4,959  |
| Total Liabilities and Excess <sup>iii</sup> |                     | 5,372  |

**Note to Preparer:**

<sup>i</sup> "Total Cash and Investments" must equal "Cash and Investments – End of Year" on the Statement of Receipts and Disbursement", page 5.

<sup>ii</sup> Must equal "Total Liabilities and Excess"

<sup>iii</sup> Must equal "Total Assets"

**STATEMENT OF RECEIPTS AND DISBURSEMENTS – MODIFIED CASH BASIS**

For the Year Ended April 30, 2022

| <b>Receipts</b>                  |  | <b>Amount</b> |
|----------------------------------|--|---------------|
| Service Revenues                 |  |               |
| Tax Receipts                     |  |               |
| Penalty and Interest Received    |  |               |
| Interest Received on Investments |  | 7             |
| Loans or Advances                |  | 80,095        |
| All Other Receipts               |  |               |
| (Explain):                       |  |               |
| <b>Total Receipts</b>            |  | <b>80,102</b> |

| <b>Less Disbursements</b>                             |  | <b>Amount</b> |
|---|--|---------------|
| Purchased Services for Resale                         |  |               |
| Payroll   |  | 7,125         |
| Legal, Accounting, or Contract Service                |  | 22,048        |
| Supplies and Materials                                |  |               |
| Maintenance   |  |               |
| Note Payments and Repayment of Advances               |  |               |
| All other Disbursements (Schedule C)                  |  | 47,249        |
| <b>Total Disbursements</b>                            |  | <b>76,422</b> |
| Excess of Receipts Over (under) Disbursements         |  | 3,680         |
| Cash and Investments – Beginning of Year              |  | 1,692         |
| Cash and Investment – End of Year (see Note 1 Page 4) |  | 5,372         |

**Note to Preparer:** In addition to all disbursements related to the purchase of consumable supplies and materials, certain assets of insignificant value may be considered consumable and accordingly recognized under the account classification "Supplies and Materials." Please refer to Explanation of Terms, General Fixed Assets, pages 7 and 8 of this report, for additional clarification.

## SCHEDULE A 1 – CASH IN BANK<sup>i</sup>

| Name of Bank        | Account Number     | Purpose of Account | Balance |
|---------------------|--------------------|--------------------|---------|
| Plains Capital Bank | Gen Fd - Operating |                    | 5,372   |
|                     |                    |                    |         |
|                     |                    |                    |         |
| TOTAL               |                    |                    | 5,372   |

## SCHEDULE B – INVESTMENTS<sup>ii</sup>

| Type of Investment | Name of Bank | Certificate Number | Interest Rate | Maturity Date | Principal Balance | (Optional) Accrued Interest |
|--------------------|--------------|--------------------|---------------|---------------|-------------------|-----------------------------|
|                    |              |                    | 0.00%         |               |                   |                             |
|                    |              |                    | 0.00%         |               |                   |                             |
|                    |              |                    | 0.00%         |               |                   |                             |
|                    |              |                    | 0.00%         |               |                   |                             |
| TOTALS             |              |                    |               |               |                   |                             |

## SCHEDULE C – SCHEDULE OF ALL OTHER DISBURSEMENTS<sup>iii</sup>

| Description of Disbursements <sup>iv</sup> | Amount |
|--|--------|
| Insurance                                  | 1,795  |
| Wastewater Lease                           | 45,500 |
| Miscellaneous                              | (46)   |
|  |        |
|  |        |
|  |        |
| TOTAL                                      | 47,249 |

<sup>i</sup> Please refer to Explanation of Terms, Cash in Bank, page 7 of this report, for proper reporting.

<sup>ii</sup> Please refer to Explanation of Terms, Investments, page 8 of this report, for proper reporting of “Principal Balance” and “Accrued Interest.”

<sup>iii</sup> Please refer to Explanation of Terms, All Other Disbursements, page 7 of this report, for proper reporting of “All Other Disbursements.”

<sup>iv</sup> A description should be given for each type of transaction and the amount of payments attributable to this type of disbursement. It may not be necessary to list each transaction separately.

# EXPLANATION OF TERMS

**All Other Disbursements** - This classification should be used only for payments, which cannot be classified properly in the six remaining accounts listed on the Statement of Receipts and Disbursements. Schedule C, page 6, should be completed for any report, which utilizes the "All Other Disbursements" classification.

**Cash Basis** - The financial statements contained in this report are to be prepared on the cash basis of accounting. They are not intended to be in conformity with Generally Accepted Accounting Principles (GAAP). Only transactions involving the exchange of cash should be included in these statements. No liabilities should be recorded unless they arise from the transfer of money. Exceptions to this rule are listed in "Investments" and "General Fixed Assets" below. Receipts and disbursements should not be recorded until payment is made. For the purpose of the Statement of Receipts and Disbursements, movement of funds between checking accounts and investments should not be considered as receipts or disbursements.

**Cash on Hand** - Petty cash, checks, money orders, and bank drafts not on deposit.

**Cash in Bank** - (From Schedule A) - Cash deposited in the district's checking account(s). The reserves, restrictions, or limitations as to its availability should be so stated. The total amount shown on Schedule A must reflect the reconciled balance as of the fiscal year end and reported under the account classification "Cash in Bank" on the Balance Sheet.

**Developer Advances** - Amounts owed to a developer for cash placed in the district's account or otherwise paid to the district. However, amounts payable to a developer for which repayment is contingent upon a bond sale (or some other event) should not be included as a liability of the district. Please see the Miscellaneous Disclosures, page 3 of this report, for disclosure of these contingent liabilities.

**Disbursements** - All transactions involving the disbursement of the district's fund should be included in the disbursements section. Payments made on behalf of the district by a third party should not be listed as a disbursement for the purpose of this statement. See the Miscellaneous Disclosures, page 3, of this report, for disclosures of these payments.

**Excess Assets Over Liabilities** - The difference between "Total Assets" and "Total Liabilities." If liabilities exceed assets, this number should be shown as a negative amount.

**General Fixed Assets** - A fixed asset is one which the cost exceeds \$50 and has a productive life longer than one year. "Fixed" denotes the intent to continue use or possession; it does not indicate the immobility of the asset. An asset of cost not in excess of \$50 should be considered consumable and accordingly recognized under the account classification "Supplies and Materials" on the Statement of Receipts and Disbursements. A fixed asset purchased through the issuance of a short-term note payable should be reported as an asset at its full cost even though no cash transaction may have taken place. Likewise, the corresponding note payable should be reported in the liability section of the Balance Sheet. Fixed assets donated to the district by a developer should be included as "General Fixed Assets" on the Balance Sheet. However, no amounts should be recorded on the Statement of Receipts and Disbursements for this type of transaction. The Credit offset to the fixed asset will be included in "Excess Assets over Liabilities" on the Balance Sheet.

**Investments (From Schedule B)** - List the types of investments (certificates of deposit, savings accounts, securities) which generate income in the form of interest. This should not include any amounts listed on Schedule A as "Cash in Bank." The total amount shown on Schedule B for "Principal Balance" must be reported under the account classification "Investments" on the Balance Sheet. At the option of the preparer, any interest earned on investments but not yet received may be reported as "Accrued Interest" on Schedule B and in the Asset section of the Balance Sheet. Under no circumstance should accrued interest be included in "Interest Received



on Investments" under "Receipts" on page 5. "Interest Received on Investments" should include only amounts actually received during the fiscal year.

**Inventories** - The cost of materials and other items purchased for use during the fiscal year by which are not completely consumed by the end of the fiscal year.

**Notes Payable** - The total outstanding principal of short-term loans, which mature within one year of their issuance.

**Other Liabilities** - Only liabilities arising from the receipt of cash which cannot be properly classified in one of the other liability accounts should be listed in this classification along with a brief explanation of this liability. Accounts payable, accrued interest, and contracts payable should not be listed as liabilities in this report.

**Receipts** - All transactions involving the receipt of cash during the fiscal year should be included in the Receipts section. Only those amounts actually received during the fiscal year should be included. Amounts received for which repayment is contingent upon a bond sale (or some other event) should be included here. (See "Developer Advances" above for treatment of the contingent liability.)

**Refundable Deposits** - This amount reflects a liability arising from the receipt of deposits from customers, which will be refunded to the customer at some future date, based on the terms and conditions of the deposit agreement.

**Rounding Instructions** - Please round to the nearest whole dollar amount. For example:

\$467.50 should be rounded up to \$468 and \$3,678.49 should be rounded down to \$3,678.

## **Exhibit B**

November 4, 2022

Public Utility Commission of Texas  
P.O. Box 13326  
Austin, Texas 78711-3326

RE: Rolling V Ranch Water Control & Improvement District No. 3  
Financial Feasibility

Ladies and Gentlemen:

In accordance with 16 Texas Admin. Code § 24.11(e)(4)(c), we have been asked to provide an opinion on the financial feasibility of Rolling V Ranch Water Control & Improvement District No. 3 (the "District"). Robert W. Baird & Co. Incorporated acts as financial advisor to over 350 special districts in Texas and are considered an expert in our field.

Currently, the District is funding its operating costs through a combination of developer advances and maintenance tax revenues from the districts within the District's service area (the District and Rolling V Ranch Water Control and Improvement District Nos. 1, 2 and 4). The District's service area's current taxable assessed valuation is de minimis and therefore the maintenance tax revenues generated thus far has been minimal and operations have been funded thus far primarily through developer advances. Operations funded with developer advances in the early stages of a special district, such as the District, is typical for most districts at this stage in their development cycle. As land within the District's service area is developed (currently anticipated to have 5,000 single-family connections per the District's engineer) and the District's service area's taxable assessed value grows, the District (and the districts in the District's service area) anticipate levying ad valorem property tax rates totaling \$1.00 per \$100 of assessed valuation composed of tax rates for maintenance and operations purposes and tax rates for debt service purposes as authorized by the District's voters. Proceeds from the District's maintenance and operations tax rate will supplement and/or replace developer advances for operating purposes over time.

The District's and the service area's voters have authorized the issuance of unlimited tax bonds to finance utility and road projects, and such bonds are expected to be issued in the future as the District's taxable assessed valuation grows as a result of land development and home construction within the District. Upon issuance of such bonds, future tax rates will be a combination of debt service tax rates and maintenance and operations tax rate totaling \$1.00 per \$100 of assessed valuation.

Based on current market conditions, projected development within the District, ad valorem tax revenues and the issuance of unlimited tax bonds to finance construction costs associated with the facilities necessary to service the District, it is our opinion that the project is financially feasible and will be able to provide continuous and adequate service to the requested area in docket 54147.

This letter is provided to satisfy the requirements of 16 TAC 24.11(e)(4)(C) and is to be used for no other purpose.

Robert W. Baird & Co.  
9501 E. State Hwy 114, Suite 160  
Southlake, TX 76092  
Main 713 230-6120  
Toll Free 800 711-6126

[www.rwbaird.com](http://www.rwbaird.com)



Please do not hesitate to contact us should you need additional information.

Sincerely,  
ROBERT W. BAIRD & CO. INCORPORATED

A handwritten signature in black ink, appearing to read "Ryan Nesmith".

Ryan Nesmith  
Managing Director

Robert W. Baird & Co.  
950 E. State Hwy 114, Suite 160  
Southlake, TN 76092  
Main 713 230-6120  
Toll Free 800 711-6126

[www.rwbaird.com](http://www.rwbaird.com)

## **Exhibit C**

# VANTAGE BANK

T E X A S

November 8, 2022

Public Utility Commission of Texas  
Attn: Fred Bednarski III  
1701 N. Congress Avenue  
PO Box 13326  
Austin, TX 78711-3326

VIA EMAIL

Fred.bednarski@puc.texas.gov

Re: That certain Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (the "**CCN Application**") filed with the Public Utility Commission of Texas on September 23, 2022 as Docket No. 54147, being jointly made by Rolling V Ranch Water Control and Improvement District No. 3 of Wise County, a political subdivision of the State of Texas, operating as a water control and improvement district pursuant to Chapter 9021, Special District Local Laws Code, and Chapters 49 and 51 of the Texas Water Code ("**RVR WCID No. 3**") and The City of Rhome, Texas, a Texas municipality ("**Rhome**"; together with RVR WCID No. 3, collectively, "**Applicant**"), regarding that certain property located in the City of Rhome and its extraterritorial jurisdiction, Wise County, State of Texas and described in the Application (the "**Property**")

Dear Mr. Bednarski:

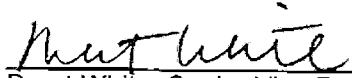
I am writing this letter on behalf of Vantage Bank Texas, a Texas state bank ("**Vantage Bank**"). Vantage Bank regularly conducts business with PMB Rolling V Land LP, a Texas limited partnership ("**Developer**") and its affiliates. Developer is the developer under to that certain Agreement for the Construction of Improvements and Reimbursement of Advances between Rolling V Ranch Water Control and Improvement District No. 3 of Wise County and PMB Rolling V Land LP dated January 21, 2021 and recorded on February 2, 2021 as Instrument No. 202101667 in the Official Public Records of Wise County, Texas (the "**District Agreement**").

In the opinion of Vantage Bank, Developer is in a satisfactory financial position to construct the Improvements (as defined in the District Agreement) as required in connection with the CCN Application. Pursuant to the loans described in that certain Deed of Trust, Security Agreement, Assignment of Rents and Leases and Financing Statement executed by Developer, as Grantor, for the benefit of Vantage Bank, as Beneficiary, dated January 27, 2021 and recorded on February 2, 2021 as Instrument No. 202101672 in the Official Public Records of Wise County, Texas (the "**DOT**"), together with the Loan Documents described in the DOT, Vantage Bank has loaned funds in the aggregate amount of \$44,900,000.00 (the "**Funds**") for the development of the Property by Developer and its affiliates (collectively, the "**Development**"), and Developer and its affiliates have the right to utilize a portion of the Funds for the construction of the Improvements.

Should you have any questions, please feel free to contact me at (817) 953-6717.

Best Regards,

VANTAGE BANK TEXAS

A handwritten signature in cursive script, appearing to read "Brent White", is written over a horizontal line.

Brent White, Senior Vice President