

CITY OF ROSENBERG, TEXAS

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**Fiscal Year Ended
September 30, 2019**



Prepared by

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City Manager**

**Joyce Vasut, CPA
Assistant City Manager / Director of Finance**

CITY OF ROSENBERG, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2019

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INTRODUCTORY SECTION

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March 17, 2020

The Honorable Mayor and Members of the City Council
City of Rosenberg
Rosenberg, Texas

EXECUTIVE SUMMARY

The Finance Department and City Manager's Office are pleased to submit the Fiscal Year 2019 (FY2019) Comprehensive Annual Financial Report (CAFR) for the dates ranging from October 1, 2018 to September 30, 2019.

This report is published to provide the City Council, staff, citizens, bondholders, and stakeholders with detailed information concerning the financial condition and activities of the City government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

As required by the City Charter, the financial statements have been audited by a firm of certified public accountants. The FY2019 City financial statements have been audited by Pattillo, Brown & Hill, L.L.P. The goal of an independent audit is to provide reasonable assurance that the financial statements of the City of Rosenberg for the fiscal year ended September 30, 2019, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Rosenberg's financial statements are presented in conformity with generally accepted accounting principles (GAAP).

The City's Management Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and, both should be read in conjunction.

CITY PROFILE

Rosenberg is located in the Gulf Coast region of Texas, at the geographic center of Fort Bend County, and is approximately thirty miles southwest of downtown Houston along Interstate 69 (I-69). The City encompasses approximately 37 square miles, excluding extraterritorial jurisdictions, and is approximately fifty-eight percent (58%) undeveloped.

The City was founded in 1883, incorporated in 1903, and currently operates under a Council-Manager form of government. The City Council is comprised of a Mayor and six Council Members. The Mayor and two Council Members are elected at-large, and the remaining four are elected from one of each of the City's four single-member districts. The Mayor and Council are responsible for enacting legislation in the form of ordinances, resolutions, and regulations governing the City. The City Manager is the chief administrative officer of the City, and is responsible for implementation of laws, ordinances and day-to-day operations of the City.

The City provides a full range of municipal services to its citizens. These services, provided under general government and enterprise functions, include public safety (police and fire), potable water, reclaimed water, and wastewater utilities, solid waste and recycling services, parks and recreational activities, public improvements, repair and maintenance of infrastructure, community and economic development, planning and general administrative services. The City has a 4B Economic Development Corporation, which partners with the City and other entities to aggressively recruit, retain, and expand business and industry within Rosenberg. The City also operates a Civic Center which provides meeting space to community and private groups. Internal services of the City, accounted for on a cost-reimbursement basis, are fleet service operations, information services, and employee health insurance coverage.

The Council appoints residents and business leaders who volunteer their expertise, experience, and time to serve on various committees and boards. These committees and boards make recommendations relative to special projects, issues, and future planning. The Planning Commission, Rosenberg Development Corporation, Parks and Recreation Board, and the Image Committee meet on a regular basis. Other committees and boards, which meet, as needed, include the Finance/Audit Committee, Professional Services/Engineering Project Review Committee, Animal Control Shelter Advisory Board, Building Standards Board, Rental Property Appeals Board, Water & Sanitary Sewer Impact Fee Task Force, Main Street Advisory Board, and the Special Events Committee.

LOCAL ECONOMY

Rosenberg's economy remained steady in 2019. Much like the Texas economy, Rosenberg experienced job growth and an increase in building permits. Sales tax remained steady when compared to FY2018. This can be attributed to commercial development and a Chapter 380 Economic Development Program Agreement with BMC Texas Sales.

The local unemployment rate in FY2019 exhibited an overall downward trend. The City's unemployment rate was 3.4%, which is slightly lower than the state and national rate of 3.5%. The average owner-occupied home value increased to \$154,728, up from \$103,000 in 2011.

The total number of permits issued for the year markedly increased from FY2018 to FY2019, with a total of 235 residential certificates of occupancy issued. There were 145 commercial certificates of occupancy, 68 new commercial buildings, and 101 commercial additions/remodels issued in the 2019 fiscal year, demonstrating that both purchasing and leasing existing buildings and constructing new facilities are still growing trends within the City.

Sales tax revenue remained steady for the City from FY2018 to FY2019. This trend has also remained steady during the first six (6) months of FY2020 and shows a slight increase of approximately one percent when compared to FY2019.

Brazos Town Center, located along I-69, between FM 762 and Reading Road, is a master-planned, mixed-use development which integrates retail, residential, and professional spaces interconnected with parks, a trail system, lakes, and fountains. Brazos Town Center serves as a regional shopping and dining destination, attracting customers and sales tax revenue from outside the City.

The City of Rosenberg is home to a diverse group of industries including pharmaceutical packaging, machining, manufacturing, chemical blending, telecommunications services, distribution centers, engineering, oil and gas services, and a variety of retail operations. Sources of agricultural income include cotton, grain, and livestock. Additionally, the City is a major retail trade area for antiques, building materials, general merchandise, food stores, and automotives.

LONG-TERM FINANCIAL PLANNING AND RELEVANT FINANCIAL POLICIES

The City adopts an annual budget, which includes a five-year Capital Improvement Program (CIP). The ultimate purpose of the budget process is to assure that municipal services are provided to the citizens of Rosenberg in the most efficient and effective manner possible, and that service can be maintained at or above current year's levels.

Additionally, the budget process addresses the City's current and future infrastructure needs by identifying and prioritizing capital projects for general, street and drainage, and water and wastewater. Available funding for such projects is presented and proposed projects are prioritized.

The City prepares a long-term financial plan on an annual basis for the General Fund and the Water and Wastewater Fund. This plan presents financial information and estimates over a six-year period which includes the actual amounts for the last audited fiscal year, estimates for the current fiscal year, and estimates for four additional years. These forecasts help ensure that the City can continue to meet long-range obligations while maintaining current City services.

City management is responsible for establishing, implementing, and maintaining a framework of internal controls designed to ensure that assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting information is compiled to allow for the preparation of financial statements in conformity with GAAP. The system of internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires estimates and judgments by management.

The City Council has adopted Financial Management Policies that establish and document a framework for fiscal decision-making and that ensure financial resources are available to meet the present and future needs of the citizens. These policies include, but are not limited to, the following:

1. *General Guidelines* – The City will establish and maintain a high standard of accounting practices and ensure that the City's accounting system shall conform to GAAP, as prescribed by the Governmental Accounting Standards Board (GASB) for governmental entities. These general guidelines also address the appointment of the Finance/Audit Committee and the selection of an auditor.
2. *Operating Budget* – Objectives regarding the operating budget state that revenue estimates are based on historical trends and a conservative approach. The adopted budget will be balanced with current revenues, plus fund balances. Fund balances, or reserves from operating funds at the end of each fiscal

year must be maintained at 20% or more of the fund's operating expenditures (excluding non-recurring expenditures), or 72 days of total fund operating expenditures for the same fiscal year.

3. *Capital Improvements* – The City will develop and maintain a five-year CIP, which shall be reviewed (at least) annually by the City Council. The City Council shall adopt an annual capital budget based on the approved five-year CIP. This capital budget shall identify the sources of funding for each capital project authorized for the ensuing fiscal year.
4. *Debt Management* – Long-term debt shall not be incurred to finance current operations and the City shall retire the debt within a period not to exceed the expected useful life of the project(s) or improvements being financed. The City's total debt service requirements in any fiscal year should not exceed 25% of total expenditures/expenses and total direct debt shall not exceed 10% of the assessed value of taxable property.
5. *Financial Reporting* – An annual independent financial audit shall be performed by a properly licensed independent public accounting firm on an annual basis and the City shall strive to receive and retain the Certificate of Achievement for Excellence in Financial Reporting, awarded annually by the Government Finance Officers Association of the United States and Canada (GFOA). Timely interim financial reports will be produced for department managers for internal purposes, and financial statements shall be prepared on a monthly basis and made available to the City Council.

FUTURE ECONOMIC OUTLOOK

The City's financial outlook is stable. Standard & Poor's rating services has assigned an 'AA-' long-term rating to Rosenberg. The rating agency commented on the City's stable financial operations, good financial management policies and practices, and healthy fund balances. The retail component of Brazos Town Center continues to impact trends for sales tax revenues. This retail component serves Fort Bend County's less developed areas to the west of the City.

The City's net property tax valuations increased 6.2% from the previous year to an appraised value of just over \$2.6 billion in FY2020. The property tax base has expanded by a total of 75% since FY2010. The tax base is diverse, with the leading taxpayers accounting for only 12% of the appraised value.

As Fort Bend County builds out, Rosenberg continues to see drastic growth in residential housing development, and the available inventory of large developable land parcels lends itself to continued interest for commercial business and industrial developers.

The RDC and the City work to ensure the economic vitality of the City. This partnership, coupled with a logistic geographic proximity, strong regional economy, and visionary leadership has set the stage for a continuing expansion of Rosenberg's employment base, a sustained growth of the local economy, and a continually improving quality of life.

The RDC was established in 1995 and takes an active role in the expansion and retention of existing businesses, as well as the recruitment of new business and manufacturing facilities to the Rosenberg area.

The RDC is involved in numerous projects encouraging development and growth including:

- Assisting with the development of the Rosenberg Business Park, which currently has three (3) buildings under construction;
- Assisting OCuSOFT with expanding manufacturing facilities on their campus and creating approximately 50 new full-time positions;
- Recruiting Dollar Tree Inc. for a 1.2M square foot, \$130M distribution center and which would add 300 new full-time positions to the City's workforce;
- Assisting Si Environmental with expanding operations facilities on their campus and creating at minimum twenty-five (25) new full-time positions;
- Improving mobility for our residents by collaborating with Fort Bend Transit to maintain and grow a transit system in the City and County;
- Funding strategically placed sidewalks which connect residents with commercial districts;
- Creating and hosting several business and community outreach projects to assist our small businesses with marketing and attractions of resident shoppers.
- Embarking on the designing and construction phase of a Wayfinding Signage Program

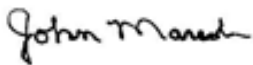
AWARDS AND ACKNOWLEDGEMENTS

This report has been prepared in accordance with guidelines established by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2018. ***This was the 32nd consecutive year that the City has received this prestigious award.*** In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation award for its annual budget for FY2019. In order to qualify for this award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

We would like to express appreciation to members of the Finance Department staff who were instrumental in compiling the information required for this report. Other departments within the City were cooperative in providing essential information in a timely and professional manner, and we extend our thanks to them. In addition, we thank the Mayor and members of the City Council for the decisions they have made in the interest of preserving the financial integrity of the City of Rosenberg.

Respectfully submitted,



John Maresh
City Manager



Joyce Vasut
Assistant City Manager/Director of Finance

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OFFICE OF CITY MANAGER

PO Box 32 * 2110 4th Street * Rosenberg, Texas * 77471 P. (832) 595 – 3310 * F. (832) 595 – 3333



Government Finance Officers Association

**Certificate of
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in Financial
Reporting**

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Texas**

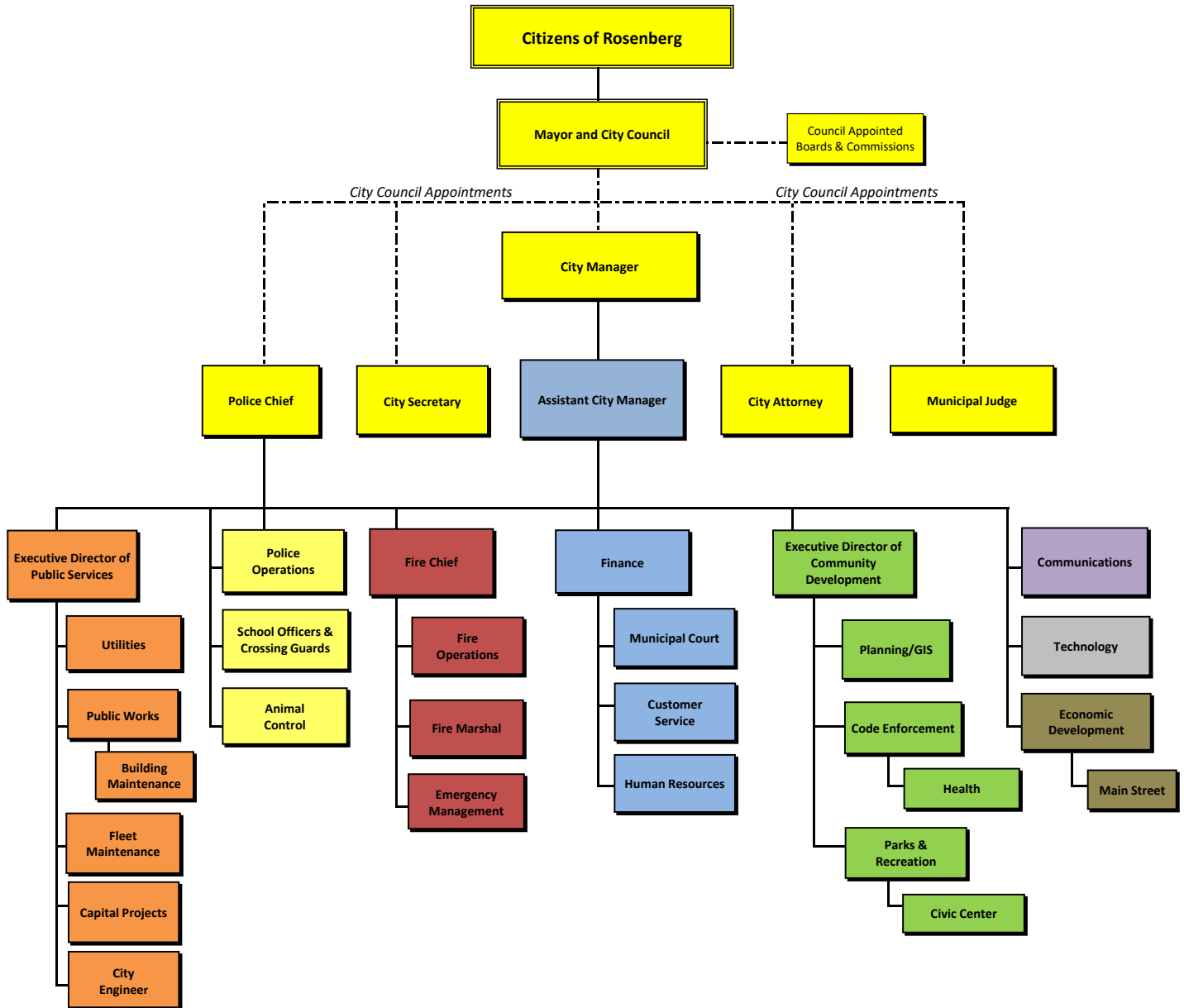
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

**CITY OF ROSENBERG, TEXAS
FISCAL YEAR 2018-19
ORGANIZATIONAL CHART**



CITY OF ROSENBERG, TEXAS

PRINCIPAL OFFICIALS

SEPTEMBER 30, 2019

Elected Officials	Position
William Benton	Mayor
Jacob Balderas	Councilor at Large, Position 1
Kevin Raines	Councilor at Large, Position 2
Isaac Davila	Councilor, District No. 1
Steven DeGregorio	Councilor, District No. 2
Lisa Wallingford	Councilor, District No. 3
Richard Olson	Councilor, District No. 4

Appointed Officials	Position
John Maresh	City Manager
Randle Law Firm	City Attorney
Danyel Swint	City Secretary
Phyllis Ross	Municipal Court Judge
Jonathan White	Police Chief

City Management	Position
Joyce Vasut	Assistant City Manager/Director of Finance
Tanya Kveton	Director of Communications
Robert Kinsey	Director of Code Compliance
Ashley Williams	Director of Human Resources
Darren McCarthy	Director of Parks & Recreation
Doug Gorka	Director of Public Works
Shelton Besson	Director of Technology
Eddie DeLeon	Director of Utilities
Rigo Calzoncin	Executive Director of Public Services
Travis Tanner	Executive Director of Community Development
Darrell Himly	Fire Chief
Jeremy Heath	Interim Director of Economic Development
Jones & Carter	City Engineer

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of Rosenberg, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rosenberg, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Rosenberg, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rosenberg, Texas, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and OPEB information 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rosenberg, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2020, on our consideration of the City of Rosenberg, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Rosenberg, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Rosenberg, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 13, 2020

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**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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Management's Discussion and Analysis

As management of Rosenberg, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended September 30, 2019.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City, excluding component units, exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$164,569,194 (net position). Of this amount, \$32,443,855 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position, excluding component units, increased by \$10,539,929 from operations.
- As of September 30, 2019, the City's governmental funds reported an ending fund balance of \$52,385,392, a decrease of \$3,778,194 in comparison with the prior year.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$15,926,869, or 50% of total General Fund expenditures.
- The City's long-term debt decreased by \$9,254,972 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation and earned but unused vacation leave).

The government-wide financial statements present functions of the City that are provided from funding sources (governmental activities). The government-wide financial statements can be found immediately following the management's discussion and analysis.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City consist of governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same function reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide an adjustments column to facilitate this comparison between the governmental funds and *governmental activities*. The basic governmental fund financial statements can be found immediately following the government-wide financial statements.

The City maintains 31 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, RDC projects, Debt Service Fund, the 2016 Certificates of Obligation Fund, the 2017 Certificates of Obligation Fund, and the Bryan Road County Mobility Project which are considered to be major funds. Data from the other 25 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary Funds – Proprietary funds include the City’s Enterprise and Internal Service Funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City has two Enterprise Funds and they are used to account for its water and wastewater services and civic center rentals.

Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City’s various functions. The City uses three Internal Service Funds to account for health insurance, fleet asset replacement and information services. All Internal Service Funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Because the services accounted for in the Internal Service Funds benefit governmental more so than business-type functions, they have been included within governmental activities in the government-wide financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the statement of fiduciary net position.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, excluding component units, assets exceeded liabilities by \$164,569,194 as of September 30, 2019.

The largest portion of the City’s net position (68%) reflects its investment in capital assets (e.g. land, buildings, vehicles, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the individuals we serve; consequently, these assets are not available for future spending.

The second largest portion of the City’s net position (20%) represents unrestricted financial resources available for future operations.

Additionally, a portion of the City’s net position (12%) represents resources that are subject to restrictions on how they may be used.

**Summary of Statement of Net Position
As of September 30, 2019 and 2018**

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 66,228,897	\$ 73,859,265	\$ 29,954,569	\$ 24,444,636	\$ 96,183,466	\$ 98,303,901
Capital assets	<u>109,543,212</u>	<u>102,499,404</u>	<u>70,134,889</u>	<u>67,358,789</u>	<u>179,678,101</u>	<u>169,858,193</u>
Total assets	<u>175,772,109</u>	<u>176,358,669</u>	<u>100,089,458</u>	<u>91,803,425</u>	<u>275,861,567</u>	<u>268,162,094</u>
Deferred outflows of resources	<u>4,832,002</u>	<u>1,536,963</u>	<u>433,912</u>	<u>152,459</u>	<u>5,265,914</u>	<u>1,689,422</u>
Total deferred outflows	<u>4,832,002</u>	<u>1,536,963</u>	<u>433,912</u>	<u>152,459</u>	<u>5,265,914</u>	<u>1,689,422</u>
Long-term liabilities	102,870,378	100,769,893	4,235,787	4,201,687	107,106,165	104,971,580
Other liabilities	<u>5,533,216</u>	<u>5,839,337</u>	<u>2,459,631</u>	<u>2,246,982</u>	<u>7,992,847</u>	<u>8,086,319</u>
Total liabilities	<u>108,403,594</u>	<u>106,609,230</u>	<u>6,695,418</u>	<u>6,448,669</u>	<u>115,099,012</u>	<u>113,057,899</u>
Deferred inflows of resources	<u>1,339,031</u>	<u>2,514,922</u>	<u>120,244</u>	<u>249,430</u>	<u>1,459,275</u>	<u>2,764,352</u>
Total deferred Inflows of resources	<u>1,339,031</u>	<u>2,514,922</u>	<u>120,244</u>	<u>249,430</u>	<u>1,459,275</u>	<u>2,764,352</u>
Net position:						
Net investment, in capital assets	43,105,920	32,415,489	68,980,345	65,482,173	112,086,265	97,897,662
Restricted	20,039,074	21,514,250	-	-	20,039,074	21,514,250
Unrestricted	<u>7,716,492</u>	<u>14,841,741</u>	<u>24,727,363</u>	<u>19,775,612</u>	<u>32,443,855</u>	<u>34,617,353</u>
Total net position	<u>\$ 70,861,486</u>	<u>\$ 68,771,480</u>	<u>\$ 93,707,708</u>	<u>\$ 85,257,785</u>	<u>\$ 164,569,194</u>	<u>\$ 154,029,265</u>

**Changes in Net Position
For the Fiscal Years Ended September 30, 2019 and 2018**

Net position of the City, excluding component units, increased by \$10,539,929. Key elements of the increase are as follows:

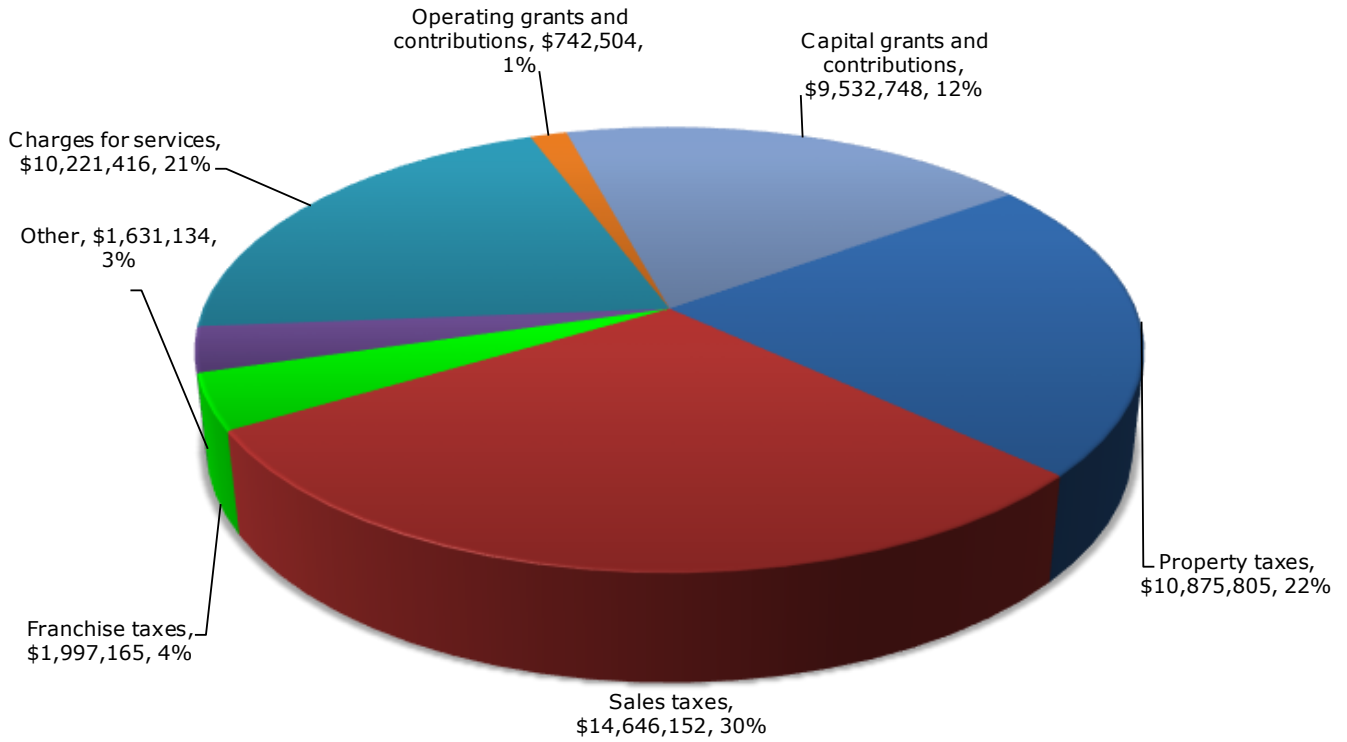
	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 10,221,416	\$ 9,240,432	\$ 18,662,455	\$ 16,640,349	\$ 28,883,871	\$ 25,880,781
Operating grants and contributions	742,504	1,042,181	1,336,750	6,788	2,079,254	1,048,969
Capital grants and contributions	9,532,748	7,013,826	-	-	9,532,748	7,013,826
General revenues:						
Property taxes	10,875,805	11,071,864	-	-	10,875,805	11,071,864
Sales taxes	14,646,152	15,229,952	-	-	14,646,152	15,229,952
Franchise taxes	1,997,165	1,967,554	-	-	1,997,165	1,967,554
Investment interest	1,361,297	954,997	629,090	349,995	1,990,387	1,304,992
Gain on sale of capital asset	10,639	909,746	-	-	10,639	909,746
Miscellaneous	259,198	192,669	-	-	259,198	192,669
Total revenues	49,646,924	47,623,221	20,628,295	16,997,132	70,275,219	64,620,353
Expenses:						
General government	6,562,067	5,539,396	-	-	6,562,067	5,539,396
Public safety	21,781,177	17,388,136	-	-	21,781,177	17,388,136
Public works	11,988,077	12,564,950	-	-	11,988,077	12,564,950
Community development	3,878,243	3,093,782	-	-	3,878,243	3,093,782
Water and sewer	-	-	13,586,594	10,898,020	13,586,594	10,898,020
Civic center rentals	-	-	222,330	479,223	222,330	479,223
Interest and fiscal charges	1,716,802	2,311,732	-	-	1,716,802	2,311,732
Total expenses	45,926,366	40,897,996	13,808,924	11,377,243	59,735,290	52,275,239
Increases in net assets before transfers	3,720,558	6,725,225	6,819,371	5,619,889	10,539,929	12,345,114
Transfers	(1,630,552)	2,122,861	1,630,552	(2,122,861)	-	7,000
Increase in net position	2,090,006	8,848,086	8,449,923	3,497,028	10,539,929	12,345,114
Net position, beginning	68,771,480	67,320,601	85,257,785	83,271,044	154,029,265	150,591,645
Prior period adjustment	-	(7,397,207)	-	(1,510,287)	-	(8,907,494)
Net position, ending	\$ 70,861,486	\$ 68,771,480	\$ 93,707,708	\$ 85,257,785	\$ 164,569,194	\$ 154,029,265

There was an increase of \$2,090,006 in net position in connection with operation of the City's governmental activities. This increase was primarily a result of an increase in revenues received from charges for services.

The City's business-type net position increased by \$8,449,923 from operations. The primary reason for the increase from operations is due to an increase in customers and an increase in transfers from capital project funds which funded water/wastewater assets. Also, the additional revenues will be used to satisfy the requirements of the various state and federal agencies relating to water and wastewater systems, as well as the 30% reduction of groundwater withdrawal as mandated by the Fort Bend Subsidence District.

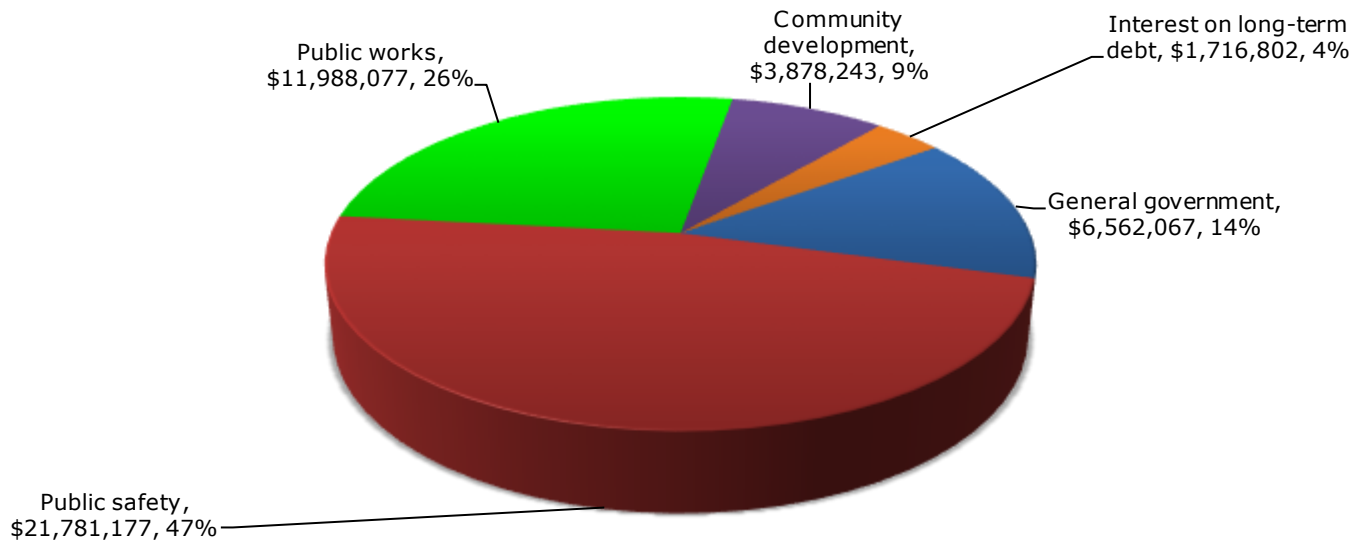
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities:

Governmental Activities - Revenues



For the fiscal year ended September 30, 2019, revenues from governmental activities totaled \$53,673,439.

Governmental Activities - Expenses



For the fiscal year ended September 30, 2019, expenses for governmental activities totaled \$45,926,366.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As previously noted, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's governmental funds are discussed below:

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, fund balances may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

As of September 30, 2019, the City's governmental funds, which consist of a General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds reported an ending fund balance of \$52,385,392, which is a decrease of \$3,778,194 from last year's total of \$56,163,586. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 50% of total General Fund expenditures.

The fund balance of the General Fund decreased by \$2,492,106 during the fiscal year. This decrease can be attributed to the payoff of the 2009 Certificates of Obligation and the 2009 General Obligation Bonds and the use of fund balance to fund the Benton County Mobility Project.

The Debt Service Fund has a fund balance of \$5,856,536, all of which is restricted for the payment of debt service. The net decrease in fund balance for the year was \$43,609.

The RDC Projects Fund has a fund balance of \$9,627,662. The net increase in fund balance for the year was \$2,655,099. This fund is used to account for the various projects that have been funded by the Rosenberg Development Corporation and the increase in fund balance is due to the continued funding of these projects.

The 2016 Certificates of Obligation fund has a fund balance of \$947,300. The decrease in fund balance for the year is attributable to expenditures for capital projects in the City.

The 2017 Certificates of Obligation fund has a fund balance of \$7,300,129. The decrease in fund balance for the year is attributable to expenditures for capital projects in the City.

The Bryan Road County Mobility Project fund has a fund balance of \$172,254. The fund is wrapping up a project with the County on the Bryan Road Mobility Project.

Proprietary Fund – The City’s proprietary fund provides the same type of information as found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Wastewater Fund and the Civic Center Rental Fund at the end of the fiscal year amounted to \$24,727,363. The increase in total net position for the year was \$8,449,923. This increase relates to operating income of \$4,913,584. This income will be used to satisfy the requirements of local, state and federal agencies as well as the conversion to surface water.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, there was an increase of \$189,483 in appropriations between the original and final amended budget for revenues and an increase of \$1,039,296 in appropriations between the original and final amended budget for expenditures. The primary reason for the revenue appropriations increase relates to an increase in intergovernmental revenue. The primary reason for the expenditure appropriations increase relates to City Council’s decision to fund additional one-time capital expenditures.

At the end of the 2019 fiscal year, the actual revenue collected for the General Fund exceeded the budget by \$1,928,016. This can be primarily attributed to higher than anticipated sales and use taxes, as well as intergovernmental revenues.

Actual expenditures for the General Fund were \$1,798,385 less than budgeted expenditures. This was due to staff monitoring expenditures closely and vacancies in the various departments. The savings were across all areas including general government, public safety, public works, and community development.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The City’s investment in capital assets as of September 30, 2019, amounts to \$179,678,101 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, vehicles, machinery and equipment, and infrastructure.

Schedule of Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Non-depreciable assets:						
Land	\$ 6,126,946	\$ 6,126,946	\$ 363,209	\$ 363,209	\$ 6,490,155	\$ 6,490,155
Construction in progress	13,325,060	7,313,486	4,633,954	9,977,724	17,959,014	17,291,210
Other capital assets:						
Buildings and improvements	13,459,418	13,459,418	-	-	13,459,418	13,459,418
Machinery and equipment	16,869,768	16,454,590	2,998,496	2,556,075	19,868,264	19,010,665
Infrastructure	120,889,219	115,761,285	-	-	120,889,219	115,761,285
Water and wastewater system	-	-	102,155,643	92,218,091	102,155,643	92,218,091
Accumulated depreciation on other capital assets	(61,127,199)	56,616,321	(40,016,413)	37,756,310	(101,143,612)	94,372,631
Totals	\$ 109,543,212	\$ 102,499,404	\$ 70,134,889	\$ 67,358,789	\$ 179,678,101	\$ 169,858,193

Additional information on the City’s capital assets can be found in in the notes to the financial statements on page 38.

Long-term Debt – At the end of the current fiscal year, the City, excluding component units, had total outstanding debt of \$70,513,020

Schedule of Long-term Debt

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
General Obligation	\$ 14,825,000	\$ 18,725,000	\$ -	\$ -	\$ 14,825,000	\$ 18,725,000
Revenue bonds	-	-	210,000	231,000	210,000	231,000
Certificates of obligation	52,060,000	56,425,000	-	-	52,060,000	56,425,000
Bonds issuance premiums	1,636,091	1,999,347	-	-	1,636,091	1,999,347
Capital leases payable	-	-	944,544	1,645,616	944,544	1,645,616
Compensated absences	<u>771,417</u>	<u>690,702</u>	<u>65,968</u>	<u>51,327</u>	<u>837,385</u>	<u>742,029</u>
Totals	\$ <u>69,292,508</u>	\$ <u>77,840,049</u>	\$ <u>1,220,512</u>	\$ <u>1,927,943</u>	\$ <u>70,513,020</u>	\$ <u>79,767,992</u>

Additional information on the City’s long-term debt can be found in the notes to the financial statements on pages 39-43.

ECONOMIC FACTORS

City Council approved the FY 2020 budget on September 3, 2019, with total revenues of \$74,395,020 and total expenditures of \$79,816,471. Some of the key highlights of that budget include:

- The net taxable value of \$2.658 billion for Tax Year 2019 represents an increase of \$156.6 million or 6.3% from the Tax Year 2018 valuation.
- The City’s adopted tax rate for FY2020 of \$0.415 per \$100 of taxable valuation is less than the FY2019 tax rate and is slightly higher than the effective tax rate.
- Sales tax revenues for FY 2020 are budgeted at \$14,100,000, which is slightly more than the FY 2019 budget.
- The Water Subsidence Fee will increase from \$2.20 per 1,000 gallons to \$2.40 per 1,000 gallons in FY 2020 on October 1, 2019 with a second increase on January 1, 2020 to \$2.60 per 1,000 gallons.
- There is a total of 296 full-time positions for FY 2020 which includes an increase of twelve (12) full-time positions over FY 2019 adopted budget. The increase includes eight (8) positions that were added during FY 2019 including a Technology Support Specialist, Director of Animal Control and six (6) Firefighters. The FY 2020 budget also includes the addition of four (4) full-time positions: Police Officer, Identification Officer, Code Compliance Officer and a Plans Examiner. A part-time Kennel Technician was also added for FY 2020.
- A compensation plan increase of \$0.50 cents per full-time employee was included in the FY 2020 budget.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the City of Rosenberg, Texas’ finances for all those with an interest in the City’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Rosenberg, Texas: Joyce Vasut, Assistant City Manager/Director of Finance, P. O. Box 32, Rosenberg, Texas 77471-0032.

**BASIC
FINANCIAL STATEMENTS**

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CITY OF ROSENBERG, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Rosenberg Development Corporation
ASSETS				
Cash and investments	\$ 58,220,305	\$ 14,308,314	\$ 72,528,619	\$ 1,727,471
Receivables	4,954,586	2,335,720	7,290,306	838,659
Prepaid items	385,708	366,942	752,650	-
Inventory	18,063	-	18,063	-
Restricted cash and cash equivalents	-	12,943,593	12,943,593	-
Note from component unit	2,650,235	-	2,650,235	-
Capital assets, net of accumulated depreciation:				
Nondepreciable	19,452,006	4,997,163	24,449,169	-
Depreciable	90,091,206	65,137,726	155,228,932	-
Total assets	<u>175,772,109</u>	<u>100,089,458</u>	<u>275,861,567</u>	<u>2,566,130</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred resource outflow for pensions	4,792,953	430,405	5,223,358	-
Deferred resource outflow for OPEB SBDF	<u>39,049</u>	<u>3,507</u>	<u>42,556</u>	<u>-</u>
Total deferred outflow of resources	<u>4,832,002</u>	<u>433,912</u>	<u>5,265,914</u>	<u>-</u>
LIABILITIES				
Accounts payable	4,418,740	864,910	5,283,650	698,753
Accrued liabilities	883,708	82,100	965,808	-
Due to other governments	69,895	-	69,895	-
Accrued interest payable	160,873	8,117	168,990	-
Customer deposits	-	1,504,504	1,504,504	-
Noncurrent liabilities:				
Due within one year:				
Long-term debt	5,182,142	266,782	5,448,924	662,060
Total OPEB liability - SBDF	4,534	407	4,941	-
Total OPEB liability - retiree healthcare	459,288	41,244	500,532	-
Due in more than one year:				
Long-term debt	64,110,366	953,730	65,064,096	1,988,175
Net pension liability	16,941,568	1,521,344	18,462,912	-
Total OPEB liability - SBDF	549,610	49,355	598,965	-
Total OPEB liability - retiree healthcare	<u>15,622,870</u>	<u>1,402,925</u>	<u>17,025,795</u>	<u>-</u>
Total liabilities	<u>108,403,594</u>	<u>6,695,418</u>	<u>115,099,012</u>	<u>3,348,988</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ROSENBERG, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Rosenberg Development Corporation
DEFERRED INFLOWS OF RESOURCES				
Deferred resource inflow for pensions	\$ 743,657	\$ 66,780	\$ 810,437	\$ -
Deferred resource inflow for OPEB SBDF	53,474	4,802	58,276	-
Deferred resource inflow for OPEB retiree healthcare	<u>541,900</u>	<u>48,662</u>	<u>590,562</u>	<u>-</u>
Total deferred inflows of resources	<u>1,339,031</u>	<u>120,244</u>	<u>1,459,275</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	43,105,920	68,980,345	112,086,265	-
Restricted for:				
Debt service	5,839,495	-	5,839,495	-
Community development	10,734,035	-	10,734,035	-
Public works projects	609,945	-	609,945	-
Court security and technology	206,018	-	206,018	-
Law enforcement	872,898	-	872,898	-
Fire services	631,398	-	631,398	-
Economic development	1,145,285	-	1,145,285	-
Unrestricted	<u>7,716,492</u>	<u>24,727,363</u>	<u>32,443,855</u>	<u>(782,858)</u>
Total net position	\$ <u>70,861,486</u>	\$ <u>93,707,708</u>	\$ <u>164,569,194</u>	\$ <u>(782,858)</u>

CITY OF ROSENBERG, TEXAS

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 6,562,067	\$ 862,313	\$ -	\$ -
Public safety	21,781,177	3,555,298	628,504	-
Public works	11,988,077	5,778,800	114,000	9,276,190
Community development	3,878,243	25,005	-	256,558
Interest on long-term debt	<u>1,716,802</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>45,926,366</u>	<u>10,221,416</u>	<u>742,504</u>	<u>9,532,748</u>
Business-type activities:				
Water and sewer	13,586,594	18,552,921	1,336,750	-
Civic center rentals	<u>222,330</u>	<u>109,534</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>13,808,924</u>	<u>18,662,455</u>	<u>1,336,750</u>	<u>-</u>
Total primary government	<u>59,735,290</u>	<u>28,883,871</u>	<u>2,079,254</u>	<u>9,532,748</u>
Component unit				
Rosenberg Development Corporation	<u>8,220,117</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total component unit	<u>\$ 8,220,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Taxes:

 Property

 Sales

 Franchise

Investment earnings

Gain on sale of capital asset

Miscellaneous

Transfers

 Total general revenues and transfers

 Change in net position

Net position, beginning

Net position, ending

The accompanying notes are an integral part of these financial statements.

<u>Net (Expense) Revenues and Changes in Net Position</u>			
<u>Primary Government</u>			<u>Component Unit</u>
<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>Rosenberg</u>
<u>Activities</u>	<u>Activities</u>		<u>Development</u>
			<u>Corporation</u>
\$(5,699,754)	\$ -	\$(5,699,754)	\$ -
(17,597,375)	-	(17,597,375)	-
3,180,913	-	3,180,913	-
(3,596,680)	-	(3,596,680)	-
<u>(1,716,802)</u>	<u>-</u>	<u>(1,716,802)</u>	<u>-</u>
<u>(25,429,698)</u>	<u>-</u>	<u>(25,429,698)</u>	<u>-</u>
-	6,303,077	6,303,077	-
-	<u>(112,796)</u>	<u>(112,796)</u>	<u>-</u>
<u>-</u>	<u>6,190,281</u>	<u>6,190,281</u>	<u>-</u>
<u>(25,429,698)</u>	<u>6,190,281</u>	<u>(19,239,417)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,220,117)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(8,220,117)</u>
10,875,805	-	10,875,805	-
14,646,152	-	14,646,152	4,520,503
1,997,165	-	1,997,165	-
1,361,297	629,090	1,990,387	113,020
10,639	-	10,639	-
259,198	-	259,198	20,750
<u>(1,630,552)</u>	<u>1,630,552</u>	<u>-</u>	<u>-</u>
<u>27,519,704</u>	<u>2,259,642</u>	<u>29,779,346</u>	<u>4,654,273</u>
2,090,006	8,449,923	10,539,929	(3,565,844)
<u>68,771,480</u>	<u>85,257,785</u>	<u>154,029,265</u>	<u>2,782,986</u>
<u>\$ 70,861,486</u>	<u>\$ 93,707,708</u>	<u>\$ 164,569,194</u>	<u>\$(782,858)</u>

CITY OF ROSENBERG, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>RDC Projects</u>
ASSETS			
Cash and investments	\$ 16,150,563	\$ 5,848,633	\$ 9,854,967
Receivables:			
Taxes	2,905,962	156,449	-
Accounts	670,372	-	-
Other	561,885	-	-
Intergovernmental	584,905	1,799	-
Inventory	18,063	-	-
Prepays items	80,729	-	-
Notes receivable	-	2,650,235	-
Total assets	<u>20,972,479</u>	<u>8,657,116</u>	<u>9,854,967</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Liabilities:			
Accounts payable	2,044,176	-	227,305
Accrued liabilities	832,308	-	-
Due to state	69,895	-	-
Total liabilities	<u>2,946,379</u>	<u>-</u>	<u>227,305</u>
Deferred Inflows:			
Unavailable revenue - property taxes	184,149	150,345	-
Unavailable revenue - court fines	66,290	-	-
Receivable from component unit	-	2,650,235	-
Total deferred inflows of resources	<u>250,439</u>	<u>2,800,580</u>	<u>-</u>
Fund balances:			
Nonspendable	98,792	-	-
Restricted	-	5,856,536	9,627,662
Assigned	1,750,000	-	-
Unassigned	15,926,869	-	-
Total fund balances	<u>17,775,661</u>	<u>5,856,536</u>	<u>9,627,662</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 20,972,479</u>	<u>\$ 8,657,116</u>	<u>\$ 9,854,967</u>

The accompanying notes are an integral part of these financial statements.

Capital Projects				
<u>2016 Certificates of Obligation</u>	<u>2017 Certificates of Obligation</u>	<u>Bryan Road County Mobility Project</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 1,347,341	\$ 7,307,787	\$ 1,234,541	\$ 11,311,691	\$ 53,055,523
-	-	-	45,882	3,108,293
-	-	-	-	670,372
-	-	-	6,851	568,736
-	-	-	20,481	607,185
-	-	-	-	18,063
-	-	-	110	80,839
-	-	-	-	2,650,235
<u>1,347,341</u>	<u>7,307,787</u>	<u>1,234,541</u>	<u>11,385,015</u>	<u>60,759,246</u>
400,041	7,658	1,062,287	627,765	4,369,232
-	-	-	51,400	883,708
-	-	-	-	69,895
<u>400,041</u>	<u>7,658</u>	<u>1,062,287</u>	<u>679,165</u>	<u>5,322,835</u>
-	-	-	-	334,494
-	-	-	-	66,290
-	-	-	-	2,650,235
-	-	-	-	3,051,019
-	-	-	110	98,902
947,300	7,300,129	172,254	10,705,740	34,609,621
-	-	-	-	1,750,000
-	-	-	-	15,926,869
<u>947,300</u>	<u>7,300,129</u>	<u>172,254</u>	<u>10,705,850</u>	<u>52,385,392</u>
\$ <u>1,347,341</u>	\$ <u>7,307,787</u>	\$ <u>1,234,541</u>	\$ <u>11,385,015</u>	\$ <u>60,759,246</u>

CITY OF ROSENBERG, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2019

Total fund balances - governmental funds balance sheet	\$ 52,385,392
Amounts reported for governmental activities in the Statement of Net Position are	
Capital assets used in governmental activities are not reported in the funds.	107,794,152
Certain receivables will not be collected soon enough to pay for the current period's expenditures and are, therefore, deferred in the funds.	
Property tax receivables	334,494
Court fines and fees receivable	66,290
Note from component unit	2,650,235
Internal service funds are used by management to charge the costs of health insurance, fleet asset replacement and information services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	7,169,203
Accrued bond interest is not due and payable in the current period and therefore is not reported in the funds.	(160,873)
Long-term liabilities and deferred losses on bond refundings reported as deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds. A summary of these items are as follows:	
Long-term liabilities:	
Bonds payable	(66,885,000)
Compensated absences	(771,417)
Total retiree OPEB liability	(16,082,158)
Total SDBF OPEB liability	(554,144)
Unamortized premium	(1,636,091)
Included in the items related to long-term liabilities is the recognition of the City's net pension liability and a deferred outflow of resources and deferred inflows of resources related to the net pension liability	
Long-term liabilities:	
Net pension liability	(16,941,568)
Deferred outflows of resources:	
Pension related deferred outflow of resources	4,792,953
SDBF OPEB related deferred outflow of resources	39,049
Deferred inflows of resources:	
Pension related deferred inflow of resources	(743,657)
Total retiree OPEB related deferred inflow of resources	(541,900)
Total SDBF OPEB related deferred inflow of resources	<u>(53,474)</u>
Net position of governmental activities	\$ <u>70,861,486</u>

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CITY OF ROSENBERG, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>RDC Projects</u>	<u>2016 Certificates of Obligation</u>
REVENUES				
Taxes:				
Property	\$ 6,806,084	\$ 4,076,947	\$ -	\$ -
Sales	14,108,795	-	-	-
Franchise	1,938,747	-	-	-
Licenses and permits	832,679	-	-	-
Fines and forfeitures	492,630	-	-	-
Fees and charges for service	5,424,756	-	-	-
Intergovernmental	3,042,213	1,128,562	6,238,548	-
Investment earnings	417,719	153,598	187,220	94,617
Other	261,041	-	-	-
Total revenues	<u>33,324,664</u>	<u>5,359,107</u>	<u>6,425,768</u>	<u>94,617</u>
EXPENDITURES				
Current:				
General government	5,399,472	-	-	-
Public safety	15,783,564	-	-	-
Public works	7,361,297	-	-	-
Community development	2,434,540	-	9,981	-
Capital outlay	608,796	-	2,195,983	1,980,432
Debt service:				
Principal retirement	-	8,260,000	-	-
Interest and service charges	-	2,100,491	-	-
Total expenditures	<u>31,587,669</u>	<u>10,360,491</u>	<u>2,205,964</u>	<u>1,980,432</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,736,995</u>	<u>(5,001,384)</u>	<u>4,219,804</u>	<u>(1,885,815)</u>
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	34,430	-	-	-
Sale of capital assets	10,639	-	-	-
Transfers in	1,726,871	4,957,775	-	-
Transfers out	<u>(6,001,041)</u>	<u>-</u>	<u>(1,564,705)</u>	<u>(2,787,244)</u>
Total other financing sources (uses)	<u>(4,229,101)</u>	<u>4,957,775</u>	<u>(1,564,705)</u>	<u>(2,787,244)</u>
NET CHANGE IN FUND BALANCES	<u>(2,492,106)</u>	<u>(43,609)</u>	<u>2,655,099</u>	<u>(4,673,059)</u>
FUND BALANCES, BEGINNING	<u>20,267,767</u>	<u>5,900,145</u>	<u>6,972,563</u>	<u>5,620,359</u>
FUND BALANCES, ENDING	<u>\$ 17,775,661</u>	<u>\$ 5,856,536</u>	<u>\$ 9,627,662</u>	<u>\$ 947,300</u>

The accompanying notes are an integral part of these financial statements.

2017 Certificates of Obligation	Bryan Road County Mobility Project	Other Governmental	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 10,883,031
-	-	537,357	14,646,152
-	-	58,418	1,997,165
-	-	-	832,679
-	-	94,737	587,367
-	-	-	5,424,756
-	4,026,515	2,961,911	17,397,749
185,083	-	209,000	1,247,237
-	-	596,047	857,088
<u>185,083</u>	<u>4,026,515</u>	<u>4,457,470</u>	<u>53,873,224</u>
-	-	324,745	5,724,217
-	-	1,590,379	17,373,943
-	-	-	7,361,297
-	-	964	2,445,485
504,208	3,699,647	3,773,936	12,763,002
-	-	-	8,260,000
-	-	-	2,100,491
<u>504,208</u>	<u>3,699,647</u>	<u>5,690,024</u>	<u>56,028,435</u>
(319,125)	326,868	(1,232,554)	(2,155,211)
-	-	-	34,430
-	-	-	10,639
-	-	4,478,606	11,163,252
(537,864)	-	(1,940,450)	(12,831,304)
(537,864)	-	2,538,156	(1,622,983)
(856,989)	326,868	1,305,602	(3,778,194)
8,157,118	(154,614)	9,400,248	56,163,586
<u>\$ 7,300,129</u>	<u>\$ 172,254</u>	<u>\$ 10,705,850</u>	<u>\$ 52,385,392</u>

CITY OF ROSENBERG, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Net change in fund balances - total governmental funds	\$(3,778,194)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
Capital outlays	11,449,470
Depreciation	(4,103,958)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(4,385,429)
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Repayment of principal of long-term debt	8,265,000
Amortization of:	
Premiums on long-term debt	363,256
Current year changes in certain long-term liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences balances liability	(80,715)
Total retiree OPEB liability	(992,233)
Total SDBF OPEB liability	(40,792)
Net pension obligation	(5,144,071)
The net income (loss) of certain activities of Internal Service Funds is reported with governmental activities.	<u>522,239</u>
Change in net position of governmental activities	\$ <u>2,090,006</u>

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CITY OF ROSENBERG, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUND

SEPTEMBER 30, 2019

	Business-type Activities Enterprise Fund			Governmental Activities Internal
	Water and Wastewater	Civic Center Rentals	Total	Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 14,186,917	\$ 121,397	\$ 14,308,314	\$ 5,164,782
Receivables:				
Accounts, net of allowance	2,274,957	-	2,274,957	-
Other	10,046	-	10,046	-
Intergovernmental	50,717	-	50,717	-
Prepaid items	366,715	227	366,942	304,869
Restricted cash and cash equivalents	12,943,593	-	12,943,593	-
Total current assets	29,832,945	121,624	29,954,569	5,469,651
Noncurrent assets:				
Capital assets:				
Land	363,209	-	363,209	-
Machinery and equipment	2,963,512	34,984	2,998,496	5,697,664
Water and wastewater system	102,155,643	-	102,155,643	-
Construction-in-progress	4,633,954	-	4,633,954	-
Less: accumulated depreciation	(40,016,413)	-	(40,016,413)	(3,948,604)
Total noncurrent assets	70,099,905	34,984	70,134,889	1,749,060
Total assets	99,932,850	156,608	100,089,458	7,218,711
DEFERRED OUTFLOWS OF RESOURCES				
Deferred resource outflow for pensions	392,274	38,131	430,405	-
Deferred resource outflow for SDBF OPEB	3,196	311	3,507	-
Total deferred outflows of resources	395,470	38,442	433,912	-
LIABILITIES				
Current liabilities:				
Accounts payable	855,479	9,431	864,910	49,508
Accrued liabilities	73,673	8,427	82,100	-
Compensated absences	6,161	436	6,597	-
Payable from restricted assets:				
Deposits	1,502,336	2,168	1,504,504	-
Accrued interest payable	8,117	-	8,117	-
Capital lease payable	239,185	-	239,185	-
Revenue bonds payable	21,000	-	21,000	-
Total OPEB liability - SDBF	370	37	407	-
Total OPEB liability - retiree healthcare	37,590	3,654	41,244	-
Total current liabilities	2,743,911	24,153	2,768,064	49,508

CITY OF ROSENBERG, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUND

SEPTEMBER 30, 2019

	Business-type Activities Enterprise Fund			Governmental Activities Internal
	Water and Wastewater	Civic Center Rentals	Total	Service Funds
LIABILITIES				
Noncurrent liabilities:				
Compensated absences	\$ 55,448	\$ 3,923	\$ 59,371	\$ -
Capital lease payable	705,359	-	705,359	-
Revenue bonds payable	189,000	-	189,000	-
Net pension liability	1,386,565	134,779	1,521,344	-
Total OPEB liability - retiree healthcare	1,278,638	124,287	1,402,925	-
Total OPEB liability - SDBF	<u>44,983</u>	<u>4,372</u>	<u>49,355</u>	<u>-</u>
Total noncurrent liabilities	<u>3,659,993</u>	<u>267,361</u>	<u>3,927,354</u>	<u>-</u>
Total liabilities	<u>6,403,904</u>	<u>291,514</u>	<u>6,695,418</u>	<u>49,508</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred resource inflow for pensions	60,864	5,916	66,780	-
Deferred resource inflow for SDBF OPEB	4,377	425	4,802	-
Deferred resource inflow for retiree OPEB health	<u>44,351</u>	<u>4,311</u>	<u>48,662</u>	<u>-</u>
Total deferred inflows of resources	109,592	10,652	120,244	-
NET POSITION				
Net investment in capital assets	68,945,361	34,984	68,980,345	1,749,060
Unrestricted	<u>24,869,463</u>	<u>(142,100)</u>	<u>24,727,363</u>	<u>5,420,143</u>
Total net position	<u>\$ 93,814,824</u>	<u>\$ (107,116)</u>	<u>\$ 93,707,708</u>	<u>\$ 7,169,203</u>

CITY OF ROSENBERG, TEXAS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Business-type Activities Enterprise Fund		Governmental Activities Internal Service Funds
	Water and Wastewater	Civic Center Rentals	Total
OPERATING REVENUES			
Water	\$ 13,148,547	\$ -	\$ 13,148,547
Sewer	5,177,370	-	5,177,370
Charges for services	227,004	109,534	336,538
Total operating revenues	<u>18,552,921</u>	<u>109,534</u>	<u>18,662,455</u>
OPERATING EXPENSES			
Cost of sales and services	10,619,939	222,330	10,842,269
Community development	646,500	-	646,500
Depreciation	2,260,102	-	2,260,102
Total operating expenses	<u>13,526,541</u>	<u>222,330</u>	<u>13,748,871</u>
OPERATING INCOME	<u>5,026,380</u>	<u>(112,796)</u>	<u>4,913,584</u>
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	1,336,750	-	1,336,750
Investment earnings	626,353	2,737	629,090
Interest expense	(60,053)	-	(60,053)
Total nonoperating revenues (expenses)	<u>1,903,050</u>	<u>2,737</u>	<u>1,905,787</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	6,929,430	(110,059)	6,819,371
Transfers in	6,202,590	328,200	6,530,790
Transfers out	(4,837,288)	(62,950)	(4,900,238)
CHANGE IN NET POSITION	8,294,732	155,191	8,449,923
NET POSITION, BEGINNING	<u>85,520,092</u>	<u>(262,307)</u>	<u>85,257,785</u>
NET POSITION, ENDING	<u>\$ 93,814,824</u>	<u>\$ (107,116)</u>	<u>\$ 93,707,708</u>

The accompanying notes are an integral part of these financial statements.

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CITY OF ROSENBERG, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Business-type Activities Enterprise Fund	
	Water and Wastewater	Civic Center Rentals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 18,300,029	\$ 110,140
Disbursed for goods and services to suppliers	(9,592,298)	(327,178)
Disbursed for personnel services	(1,072,277)	(50,923)
Net cash provided (used) by operating activities	<u>7,635,454</u>	<u>(267,961)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer from other funds	6,202,590	328,200
Transfers to other funds	(4,837,288)	(62,950)
Net cash provided (used) by noncapital financing activities	<u>2,702,052</u>	<u>265,250</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on capital debt	(722,072)	-
Interest paid on capital debt	(62,573)	-
Acquisition and construction of capital assets	(5,036,202)	-
Net cash used for capital and related financing activities	<u>(5,820,847)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>626,353</u>	<u>2,737</u>
Net cash provided by investing activities	<u>626,353</u>	<u>2,737</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,143,012	26
CASH AND CASH EQUIVALENTS, BEGINNING	<u>21,987,498</u>	<u>121,371</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 27,130,510</u>	<u>\$ 121,397</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 5,026,380	\$(112,796)
Adjustments to reconcile operating income to net cash used by operating activities:		
Depreciation and amortization	2,260,102	-
Decrease (increase) in accounts receivable	(335,748)	-
Decrease (increase) in other assets	(31,742)	595
Decrease (increase) in deferred outflows	(268,328)	(13,125)
Increase (decrease) in accounts payable and accrued liabilities	92,797	(2,946)
Increase (decrease) in accrued liabilities	9,689	1,020
Increase in customer deposits	114,598	11
Increase (decrease) in net pension liability	771,050	12,213
Increase (decrease) in total retiree healthcare OPEB liability	83,384	(117,971)
Increase (decrease) in total SDBF liability	(2,104)	(5,041)
Increase (decrease) in deferred inflows	(98,401)	(30,785)
Increase (decrease) in compensated absences	13,777	864
Total adjustments	<u>2,609,074</u>	<u>(155,165)</u>
Net cash provided (used) by operating activities	<u>\$ 7,635,454</u>	<u>\$(267,961)</u>

The accompanying notes are an integral part of these financial statements.

Business-type Activities Enterprise Fund	Governmental Activities Internal Service Funds
Total	Funds
\$ 18,410,169	\$ 5,539,426
(9,919,476)	(4,823,998)
(1,123,200)	-
<u>7,367,493</u>	<u>715,428</u>
6,530,790	37,500
(4,900,238)	-
<u>2,967,302</u>	<u>37,500</u>
(722,072)	-
(62,573)	-
(5,036,202)	(105,217)
(5,820,847)	(105,217)
<u>629,090</u>	<u>114,060</u>
<u>629,090</u>	<u>114,060</u>
5,143,038	761,771
<u>22,108,869</u>	<u>4,403,011</u>
\$ <u>27,251,907</u>	\$ <u>5,164,782</u>
\$ 4,913,584	\$ 370,679
2,260,102	406,920
(335,748)	571
(31,147)	(23,254)
(281,453)	-
89,851	(39,488)
10,709	-
114,609	-
783,263	-
(34,587)	-
(7,145)	-
(129,186)	-
14,641	-
<u>2,453,909</u>	<u>344,749</u>
\$ <u>7,367,493</u>	\$ <u>715,428</u>

CITY OF ROSENBERG, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rosenberg, Texas (the City), was incorporated in 1902 and adopted a Home-Rule Charter on November 20, 1956. The Charter was amended April 6, 1985, to provide for a "Council-Manager" form of government.

The Council is comprised of a Mayor and six Council members, including two at large Council members and four Council members elected by districts, who serve two-year terms. The Mayor is the presiding officer of the City Council and is recognized as the head of City government for all ceremonial purposes, but has no regular administrative duties. The mayor is entitled to vote on all matters under consideration by the City Council, but does not have the power of veto.

The City provides a full range of municipal services to its citizens. These services which are provided under general government and enterprise functions include public safety (police and fire protection), water and wastewater utilities, solid waste and recycling services, parks and recreational activities, public improvements, repair and maintenance of infrastructure, community and economic development, planning and general administrative services. The City also offers a Civic Center. Internal services of the City, accounted for on a cost reimbursement basis, are fleet service operations, information services, and employee health insurance coverage.

A. Reporting Entity

The City is an independent political subdivision of the State of Texas governed by an elected Council and a mayor and is considered a primary government. As required by U. S. generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of component units, which are other entities or organizations that are financially accountable to the City. Blended component units, although legally separate entities, are, in substance, part of the government's operations, and as a result, data from these units are combined with data of the primary government. The City had no such blended component units. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide statements to emphasize that they are legally separate from the primary government. Based on these considerations, the City's financial statements include the following discretely presented component unit: the Rosenberg Development Corporation. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The component unit discussed below is included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Discretely Presented Component Unit

The Rosenberg Development Corporation (the "Corporation") has been included in the reporting entity as a discretely presented component unit. In September 1995, the Corporation was created by the City under the Texas Development Corporation Act of 1979 for the purpose of promoting, assisting, and enhancing economic and development activities on behalf of the City. The Corporation administers the \$.005 sales tax levied by the City for economic development. The Board of Directors is appointed by and serves at the discretion of the City Council and consists of three City Council members and four residents of the City. City Council approval is required for annual budgets and bonded debt issuance. In the event of dissolution, net position of the Corporation shall be conveyed to the City. The operations of the Corporation are presented as a governmental fund type. Complete financial statements for the Corporation can be obtained at the Corporation's office located at 3825 Highway 36 S, Rosenberg, Texas, 77471.

Related Organization

The Rosenberg Public Housing Authority ("Authority") is a legally separate organization formed to administer housing programs funded by the U.S. Department of Housing and Urban Development, which has a scope of public service within the geographic boundaries of the City. The City appoints a majority of the Authority members, however, the City's accountability does not extend beyond making the appointments, as the administration of the Authority is vested solely with its Board, and there is no financial relationship between the Authority and the primary government.

B. 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 City as a whole. These statements include all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. The principal sources of revenue of the Water and Wastewater Fund and Internal Service Funds are charges for sales and services. Operating expenses for the Enterprise Fund and the Internal Service Funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the government.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

The City reports the following major governmental funds:

General Fund – The General Fund accounts for the resources used to finance the fundamental operations of the City. The principal sources of revenue of the General Fund are property taxes, sales and use taxes, fines and forfeitures, charges for services, and permits and fees. Expenditures are for general government, public safety, public works and community development.

Debt Service Fund – The Debt Service Fund accounts for the resources accumulated and payment made for principal and interest on long-term general obligation debt of governmental funds. The primary source of revenue for debt service is property taxes.

RDC Projects Fund – This fund is used to account for the various projects that have been funded by transfers of restricted sales tax revenue from the Rosenberg Development Corporation. It is under the direction of the Economic Development Director who serves as the Executive Director of the Rosenberg Development Corporation with oversight by the City Manager and the Finance Department.

2016 Certificates of Obligation – This fund is used to account for the proceeds from the 2016 Certificate of Obligation issue. These proceeds will be used for street, drainage and utility improvements to City streets as well as improvements and repairs to the City's water and wastewater system.

Bryan Road County Mobility Project – This fund is used to account for improvements made to Bryan Road funded by resources provided by Fort Bend County.

2017 Certificates of Obligation – This fund is used to account for the proceeds from the 2017 Certificate of Obligation issue. These proceeds will be used for road improvements and sanitary sewer projects.

The City reports the following major proprietary fund:

Water and Wastewater Fund – The Water and Wastewater Fund accounts for the operations that provide water and wastewater utility services to the public. The services are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (including depreciation) of providing goods or services to the general public will be financed or recovered primarily through user charges.

Additionally, the City reports the following fund type:

Internal Service Funds – The Internal Service Funds account for health insurance, fleet replacement, and information services provided to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule relate to charges between the City's Enterprise Fund functions and other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Cash and Investments

Cash and investments include cash and temporary investments as disclosed in Note IV. The City'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. Investments for the City are reported at fair value, except for the position in investment pools, which are reported at net asset value per share.

E. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

F. Inventories and prepaid items

Inventories are stated at cost. The City uses the FIFO method of accounting for inventories. Inventories consist of expendable supplies held for consumption, and the cost thereof is recorded as an expense/expenditure at the time the inventory items are issued (consumption method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

G. Interfund Receivables and Payables

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are, for the most part, eliminated from the government-wide Statement of Net Position and are classified as "due from other funds" or "due to other funds" in the fund financial statements.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure items, are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Infrastructure is not held to the \$5,000 limit; all infrastructure is capitalized regardless of cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	20 - 40 years
Vehicles	3 - 7 years
Machinery and equipment	5 - 10 years
Water/wastewater and solid waste systems	3 - 40 years
Infrastructure	30 years

I. Compensated Employee Absences

The City's employees earn vacation and compensatory time which may either be taken or accumulated, up to certain amounts, until paid upon termination or retirement. There is no liability accrued for accumulated sick leave since it is not paid upon separation from service with the City. Vacation pay and compensatory time are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

The fund financial statements report bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources, net of issuance costs. Premiums received in debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

K. Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

L. Post-Employment Benefits Other Than Pensions

Supplemental Death Benefit. For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, City specific information about its total TMRS SDBF liability and additions to/deductions from the City's total TMRS SDBF liability have been determined on the same basis as they are reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

Retiree Health Insurance. For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the City for benefits due and payable that are not reimbursed by plan assets. Information regarding the City's total OPEB liability is obtained from a report prepared by a consulting actuary, Gabriel Roeder Smith & Company.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Differences between expected and actual economic experience – The effects on the total pension liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees)
- Changes in actuarial assumptions – The effects on the total OPEB liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees).

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Differences between expected and actual economic experience – The effects on the total pension liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).
- Changes in actuarial assumptions – The effects on the total pension liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).
- Unavailable revenue – Receivables not collected soon enough to pay for the current period's expenditures. This item arises only under the modified accrual basis of accounting.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.

N. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate that amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

O. Fund Balance Flow Assumptions

Sometimes the City 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 considered to be applied. It is the City's policy to consider 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.

P. Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The City Council will approve all assignments of fund balance. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the City Council, the City's highest level of decision making authority. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. Currently, only the City Council has the authority to assign fund balances. The Council would use a resolution to assign fund balances and the City Manager has the authority to introduce the resolution to Council.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The City has a fund balance policy. The policy states that the City should have fund balances or reserves of operating funds at the end of each fiscal year that is at least 20% of fund operating expenditures or 72 days of total fund operating expenditures for the same fiscal year.

Q. 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 financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds, except the Capital Projects Funds, which adopts a project length budget. The City adopts non-appropriation budgets for the proprietary fund types on a working capital basis and are used primarily as financial plans for control purposes. Accordingly, no budgetary comparisons are presented for these funds.

The original budget is adopted by the City Council prior to the beginning of the fiscal year. The City Manager may transfer funds within department categories without Council approval provided that no amounts shall be transferred from or to any capital outlay item accounts. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level. The City Council made several supplementary budgetary appropriations, which were not considered material, throughout the year. All annual appropriations lapse at fiscal year-end.

III. DETAILED NOTE ON ALL FUNDS

A. Deposits and Investments

The City's funds are required to be deposited and invested under the terms of a depository contract pursuant to state statutes. The depository bank deposits, for safekeeping and trust with the City's agent bank, approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") Insurance.

The Council has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act (Chapter 2256 Texas Government Code). The investments of the City are in compliance with the Council's investment policies. It is the City's policy to restrict its investments to direct obligations of the U.S. Government, commercial paper, fully collateralized certificates of deposit and other interest-bearing time and demand deposits, and other instruments and investments in public funds investment pools such as Texas Local Government Investment Pool ("TexPool"), Lone Star Investment Pool ("Lone Star") and Local Government Investment Cooperative ("Logic") and Texas Class.

B. Cash and Investments

The City's cash and cash equivalents, including component units, consist of cash on hand, demand deposits, and external investment pools. The City's cash and cash equivalents, including component units, at September 30, 2019, are shown below:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Primary government:		
Cash demand deposits	\$ 829,437	\$ 829,437
Certificates of Deposit	<u>8,363,832</u>	<u>8,363,832</u>
Total cash and cash equivalents	<u>9,193,269</u>	<u>9,193,269</u>
Component unit		
Cash demand deposits	20,821	20,821
Certificates of Deposit	<u>246,518</u>	<u>246,518</u>
Total cash and cash equivalents	<u>\$ 267,339</u>	<u>\$ 267,339</u>

Custodial Credit Risk – Deposits

For deposits, this is the risk that in the event of bank failure, the City's deposits may not be returned to it. As of September 30, 2019, all of the City's deposit balance was collateralized with securities held by the pledging financial institution in the City's name or covered by FDIC insurance.

The City's deposit policy for custodial credit risk is to collateralize all bank deposits at 102% of deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. Collateral pledged to cover the City's deposits is required to be held in the City's name by the trust department of a bank other than the pledging bank (the City's agent). Collateral securities must bear a Baa-1 or better rating to qualify for use in securing uninsured depository balances. Deposits at year-end are representative of the types of deposits maintained by the City during the year.

Investments

At year-end, the City's investment balances, including component unit investments, were as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Primary government:		
LOGIC	\$ 28,310,491	32
TexPool	29,178,453	24
Lone Star	7,541,755	10
Texas Class	<u>11,248,252</u>	11
Total investments	<u>76,278,951</u>	24
Component unit		
TexPool	<u>1,460,124</u>	63
Total cash and cash equivalents	<u>\$ 1,460,124</u>	

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted priced in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's investments are all in pools. The City has no investments at Level 1, 2 or 3 inputs.

The TexPool, Lone Star, Logic and Texas Class amounts are not evidenced by securities that exist in physical or book entry form and, accordingly, are not categorized by risk. However, the nature of these funds requires that they be used to purchase investments authorized by the Public Funds Investment Act. The primary objective of these investment pools is to provide a safe environment for the placement of public funds in short-term, fully collateralized investments.

The State of Texas exercises oversight responsibility over TexPool, Lone Star, LOGIC and Texas Class in accordance with state laws and the Public Funds Investment Act.

LOGIC, TexPool, Lone Star, and Texas Class each have a redemption notice period of one day and may redeem daily. The investment pools' 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.

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 180 days to meet cash requirements for ongoing operation.

Credit Risk

In accordance with its investment policy, the City minimized credit risk losses due to default of a security issuer or backer, by limiting investments to the safest types of securities. All of the City's U. S. Agency investments are insured, registered, or the City's agent holds the securities in the City's name; therefore the City is not exposed to custodial credit risk. As of September 30, 2019, Lone Star, TexPool, Logic and Texas Class investments are all rated AAAM by Standard & Poor's, respectively.

Restricted Cash and Cash Equivalents

As of September 30, 2019, the Enterprise Fund held restricted cash and temporary investments for the following purposes:

Subsidence and Impact Fees	\$ <u>12,943,593</u>
Total	\$ <u>12,943,593</u>

C. Property Taxes

The City's property taxes are levied annually in October on the basis of the Appraisal District's assessed values as of January 1 of that calendar year. Appraised values are established by the Appraisal District at market value and assessed at 100% of appraised value. The City's property taxes are billed and collected by the Fort Bend County Tax Assessor/Collector. Such taxes are applicable to the fiscal year in which they are levied and become delinquent with an enforceable lien on property on February 1 of the subsequent calendar year.

Property taxes are levied for operations and based on rates adopted for the year of the levy. For the current year, the City levied property taxes of \$0.43 per \$100 of assessed valuation. The resulting adjusted tax levy was \$10,764,739 on the total adjusted taxable valuation of \$2,505,186,143 for the 2018 tax year.

D. Receivables

Receivables as of year-end for the government's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

Primary Government

	Governmental Activities				Business-type
	General	Debt Service	Nonmajor Funds	Total	Activities Water and Wastewater
Receivables:					
Taxes	\$ 2,906,927	\$ 157,292	\$ 45,882	\$ 3,110,101	\$ -
Accounts	679,734	-	-	679,734	2,306,559
Intergovernmental	584,905	1,799	20,481	607,185	50,717
Court fines	1,403,050	-	-	1,403,050	
Other	593,406	-	6,851	600,257	10,046
Notes	-	2,650,235	-	2,650,235	-
Gross receivables	<u>6,168,022</u>	<u>2,809,326</u>	<u>73,214</u>	<u>9,050,562</u>	<u>2,367,322</u>
Less: allowance for uncollectibles	(1,444,898)	(843)	-	(1,445,741)	(31,602)
Net total receivables	<u>\$ 4,723,124</u>	<u>\$ 2,808,483</u>	<u>\$ 73,214</u>	<u>\$ 7,604,821</u>	<u>\$ 2,335,720</u>

Component Unit

	Rosenberg Development Corporation
Receivables:	
Taxes	\$ <u>838,659</u>
Total	\$ <u>838,659</u>

E. Capital Assets

Capital assets activity for the year ended September 30, 2019 was as follows:

	Balance Beginning	Increases	Decreases / Reclassification	Balance Ending
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,126,946	\$ -	\$ -	\$ 6,126,946
Construction in progress	<u>7,313,486</u>	<u>9,914,046</u>	<u>(3,902,472)</u>	<u>13,325,060</u>
Total capital assets not being depreciated	<u>13,440,432</u>	<u>9,914,046</u>	<u>(3,902,472)</u>	<u>19,452,006</u>
Capital assets being depreciated:				
Buildings and improvements	13,459,418	-	-	13,459,418
Machinery and equipment	16,454,590	415,178	-	16,869,768
Infrastructure	<u>115,761,285</u>	<u>1,225,462</u>	<u>3,902,472</u>	<u>120,889,219</u>
Total capital assets being depreciated	<u>145,675,293</u>	<u>1,640,640</u>	<u>3,902,472</u>	<u>151,218,405</u>
Less: accumulated depreciation for:				
Buildings and improvements	(6,913,791)	(341,815)	-	(7,255,606)
Machinery and equipment	(10,832,087)	(1,285,499)	-	(12,117,586)
Infrastructure	<u>(38,870,443)</u>	<u>(2,883,564)</u>	<u>-</u>	<u>(41,754,007)</u>
Total accumulated depreciation	<u>(56,616,321)</u>	<u>(4,510,878)</u>	<u>-</u>	<u>(61,127,199)</u>
Total capital assets being depreciated, net	<u>89,058,972</u>	<u>(2,870,238)</u>	<u>3,902,472</u>	<u>90,091,206</u>
Governmental activities, capital assets, net	<u>\$ 102,499,404</u>	<u>\$ 7,043,808</u>	<u>\$ -</u>	<u>\$ 109,543,212</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 363,209	\$ -	\$ -	\$ 363,209
Construction in progress	<u>9,977,724</u>	<u>4,707,572</u>	<u>(10,051,342)</u>	<u>4,633,954</u>
Total capital assets not being depreciated	<u>10,340,933</u>	<u>4,707,572</u>	<u>(10,051,342)</u>	<u>4,997,163</u>
Capital assets being depreciated:				
Machinery and equipment	2,556,075	104,800	337,621	2,998,496
Water and wastewater system	<u>92,218,091</u>	<u>223,831</u>	<u>9,713,721</u>	<u>102,155,643</u>
Total capital assets being depreciated	<u>94,774,166</u>	<u>328,631</u>	<u>10,051,342</u>	<u>105,154,139</u>
Less: accumulated depreciation for:				
Machinery and equipment	(1,851,933)	(143,080)	-	(1,995,013)
Water and wastewater system	<u>(35,904,377)</u>	<u>(2,117,023)</u>	<u>-</u>	<u>(38,021,400)</u>
Total accumulated depreciation	<u>(37,756,310)</u>	<u>(2,260,103)</u>	<u>-</u>	<u>(40,016,413)</u>
Total capital assets being depreciated, net	<u>57,017,856</u>	<u>(1,931,472)</u>	<u>10,051,342</u>	<u>65,137,726</u>
Business-type activities, capital assets, net	<u>\$ 67,358,789</u>	<u>\$ 2,776,100</u>	<u>\$ -</u>	<u>\$ 70,134,889</u>

Depreciation was charged to functions of the primary government as follows:

Governmental activities:	
General government	\$ 111,807
Public safety	1,277,263
Public works	2,808,589
Community development	<u>313,219</u>
Total depreciation expense - governmental activities	<u>4,510,878</u>
Business-type activities:	
Water and wastewater	<u>2,260,102</u>
Total depreciation expense - business-type activities	<u>\$ 2,260,102</u>

F. Construction and Other Significant Commitments

Construction in progress for the various projects and remaining commitments under these construction contracts as of September 30, 2019, is as follows:

Project Description	Total in Progress	Remaining Commitment
Governmental activities:		
Bryan Road Improvements	\$ 11,580,504	\$ 860,727
Traffic Light Signal at Reading & Town Center Blvd	-	230,750
Railroad Quiet Zones	92,474	674,140
Spacek Road Phase III	1,276,319	1,797,714
Road Improvements	1,443,316	556,684
Avenue C Connector	36,255	847,795
Dry Creek Drainage Improvements	67,494	822,713
Avenue G Connector	71,838	575,907
Benton Road County Mobility	150,198	5,299,802
Totals	\$ 14,718,398	\$ 11,666,232

Project Description	Total in Progress	Remaining Commitment
Business-type activities:		
Bryan Rd Sewer Lift Station No. 19	\$ 1,998,357	\$ 262,113
Spacek Road Sewer Line	-	1,360,605
CDBG North Side Water Improvements - Phase VII	-	600,000
SCADA Project	355,867	124,133
Sanitary Sewer Pipe Bursting Phase III	3,539,128	4,747,170
Reclaimed Water Phase II	95,402	504,598
CDBG North Side Water Imp - Candler Rd	15,755	415,649
Dollar Tree Infrastructure Project	668,014	3,231,986
Parkplace/Fairgrounds Road Waterline	655,316	-
Totals	\$ 7,327,839	\$ 11,246,254

G. Long-term Debt

General Obligation Bonds and Certificates of Obligation

The City issues general obligation bonds and certificates of obligation to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and certificates of obligation have been issued for governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

A summary of governmental activities general obligation bonds, certificates of obligation, tax notes and notes payable outstanding as of September 30, 2019, follows.

Series	Original Issue	Matures	Interest Rate (%)	Debt Outstanding
Governmental Activities:				
General Obligation Bonds:				
Series 2010 General Obligation Bonds	2,635,000	2030	4.0-4.25	\$ 1,750,000
Series 2011 General Refunding Bonds	4,860,000	2021	4.0	625,000
Series 2012 General Obligation Refunding Bonds	1,575,000	2024	2.0-2.5	660,000
Series 2014 General Obligation Bonds	1,565,000	2034	3.0-4.0	1,165,000
Series 2017 General Obligation Refunding Bonds	7,390,000	2028	2.0-4.0	6,150,000
Series 2017A General Obligation Refunding Bonds	4,945,000	2029	3.0	4,475,000
Total General Obligation Bonds				<u>\$ 14,825,000</u>
Certificates of Obligation:				
Series 2010A Certificates of Obligation	2,800,000	2030	1.75-4.25	\$ 1,855,000
Series 2010B Certificates of Obligation	7,730,000	2030	2.55-3.9	4,800,000
Series 2010C Certificates of Obligation	2,775,000	2020	2.5-3.0	320,000
Series 2012 Certificates of Obligation	8,600,000	2032	2.5-3.3	5,590,000
Series 2012A certificates of obligation	1,185,000	2023	3.0	505,000
Series 2013 certificates of obligation	9,000,000	2033	2.0-2.75	6,840,000
Series 2013A certificates of obligation	650,000	2023	1.92	275,000
Series 2014 certificates of obligation	5,000,000	2034	2.0-3.5	4,040,000
Series 2014A certificates of obligation	3,000,000	2034	3.0-4.0	2,415,000
Series 2015 Comb. Tax & Revenue CO	9,760,000	2035	2.0-3.0	8,180,000
Series 2016 Comb. Tax & Revenue CO	9,825,000	2036	2.0-2.05	8,580,000
Series 2017 certificate of obligation	9,320,000	2037	3.0	8,660,000
Total Certificates of Obligation				<u>\$ 52,060,000</u>
Total Governmental Activities				<u>\$ 66,885,000</u>

The annual requirements to amortize all primary government general obligation bonds, certificates of obligation and notes payable outstanding as of September 30, 2019, are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2020	\$ 5,105,000	\$ 1,860,684
2021	4,895,000	1,726,019
2022	4,695,000	1,597,455
2023	4,820,000	1,464,366
2024	4,745,000	1,327,243
2025-2029	23,385,000	4,484,730
2030-2034	15,660,000	1,518,139
2035-2037	3,580,000	114,988
	<u>\$ 66,885,000</u>	<u>\$ 14,093,624</u>

Revenue Bonds

Revenue bonds are used to finance the acquisition and construction of major capital improvements for the water and sewer system and related facilities. These revenue bonds constitute special obligations of the City solely secured by a lien on and pledge of the net revenues of the water and sewer system. The City collected in excess of \$13 million in water revenues with the coverage debt service of the revenue bonds being \$21,000. The following is a summary of revenue bonds outstanding as of September 30, 2019:

Series	Original Issue	Matures	Interest Rate (%)	Debt Outstanding
Business-type activities:				
Series 2010 Comb. Tax and Revenue Certificates of Obligation (Texas Water Development Board)	\$ 394,000	2029	N/A	\$ 210,000
Total Revenue Bonds				<u>\$ 210,000</u>

The annual requirements to amortize all revenue bonds outstanding as of September 30, 2019, are as follows:

<u>Year Ending September 30,</u>	<u>Business-type Activities Principal</u>
2020	21,000
2021	21,000
2022	21,000
2023	21,000
2024	21,000
2025-2029	<u>105,000</u>
	<u>\$ 210,000</u>

Notes Payable

Portions of the 2010A and 2010C certificates of obligation are payable by forming the Rosenberg Development Corporation in the amounts of \$198,485 and \$320,000, respectively. A portion of the 2011 certificates of obligation refunding bonds as well as the 2012 and 2017A general obligation refunding bonds are also being paid from the Rosenberg Development Corporation in the amounts of \$315,000, \$429,500, and \$1,387,250. These amounts are being shown as liabilities in the Rosenberg Development Corporation as these amounts have been guaranteed by the Corporation. The amounts are also shown as liabilities in the governmental activities of the City as the actual debt is in the name of the City of Rosenberg, Texas and the City is ultimately responsible for the repayment of the debt. The debt in the governmental activities is being offset by a note receivable from the Rosenberg Development Corporation.

The annual requirements to amortize the Rosenberg Development Corporation's portion of these liabilities outstanding as of September 30, 2019, are as follows:

<u>Year Ending September 30,</u>	<u>Rosenberg Development Corporation</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 662,060	\$ 73,800
2021	341,280	57,458
2022	342,965	45,807
2023	239,900	36,482
2024	246,635	29,427
2025-2029	794,390	60,515
2030	<u>23,005</u>	<u>489</u>
	<u>\$ 2,650,235</u>	<u>\$ 303,978</u>

The following is a summary of changes in the City's total governmental and business-type long-term liabilities for the year ended September 30, 2019.

	Balance Beginning	Additions	Reductions	Balance Ending	Amounts Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 18,725,000	\$ -	\$ 3,900,000	14,825,000	\$ 1,715,000
Certificates of obligation	56,425,000	-	4,365,000	52,060,000	3,390,000
Bond issuance premiums	<u>1,999,347</u>	<u>-</u>	<u>363,256</u>	<u>1,636,091</u>	<u>-</u>
Total bonds payable	<u>77,149,347</u>	<u>-</u>	<u>8,628,256</u>	<u>68,521,091</u>	<u>5,105,000</u>
Compensated absences	<u>690,702</u>	<u>679,132</u>	<u>598,417</u>	<u>771,417</u>	<u>77,142</u>
Total governmental activities	<u>\$ 77,840,049</u>	<u>\$ 679,132</u>	<u>\$ 9,226,673</u>	<u>\$ 69,292,508</u>	<u>\$ 5,182,142</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 231,000	\$ -	\$ 21,000	210,000	\$ 21,000
Capital leases	1,051,607	-	107,063	944,544	239,185
Notes payable	594,009	-	594,009	-	-
Compensated absences	<u>51,327</u>	<u>50,376</u>	<u>35,735</u>	<u>65,968</u>	<u>6,597</u>
Total business-type activities	<u>\$ 1,927,943</u>	<u>\$ 50,376</u>	<u>\$ 757,807</u>	<u>\$ 1,220,512</u>	<u>\$ 266,782</u>
Discretely presented component unit:					
Notes payable	<u>\$ 2,401,860</u>	<u>\$ 1,293,000</u>	<u>\$ 1,044,625</u>	<u>2,650,235</u>	<u>\$ 662,060</u>
Total discretely presented component unit	<u>\$ 2,401,860</u>	<u>\$ 1,293,000</u>	<u>\$ 1,044,625</u>	<u>\$ 2,650,235</u>	<u>\$ 662,060</u>

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

For governmental activities, compensated absences are generally liquidated by the General Fund.

Federal Tax Compliance (Arbitrage) for Long-term Debt

In accordance with provisions of Section 148 of the Internal Revenue Code of 1986, as amended, (the "Code") the City's long-term debt obligations must meet certain minimum criteria to be considered and continue to be considered "tax exempt." This "tax exempt" status means that interest income earned by purchasers of the City's long-term debt instruments is not subject to federal income taxes. Related Treasury Regulations promulgated under section 148 of the Code generally provide that the determination of whether these obligations are tax exempt is made as of the date such obligations are issued based on a reasonable expectations regarding the use of the proceeds of the bonds issued. Long-term debt that does not meet and continue to meet the minimum criteria of Section 148 of the Code and the related Treasury Regulations described above are considered "arbitrage bonds" and are not considered "tax exempt" as described above.

Rebate

Obligations will become arbitrage bonds (as described above) if certain arbitrage profits are not paid to the federal government as rebate under section 148(f) of the Code. The City's obligations to calculate and make rebate payments (if any) will continue as long as there are gross proceeds allocable to outstanding debt issues. The City has performed calculations required under section 148(f) of the Code and has no present liability nor has the City ever been required to make rebate payments for issued debt in past years.

Unexpended Debt Issuance Proceeds (Yield Restriction Requirements)

Section 148 of the Code also provides that in order for debt not to be considered arbitrage bonds (as described above), proceeds of such debt must be invested at a yield that is not materially higher than the yield on the debt issued starting on the third anniversary of the issue date of such debt. Accordingly, any unexpended proceeds of debt issued by the City that remain unexpended more than three years after such debt was issued should be yield restricted. The yield restriction may be accomplished by making yield reduction payments pursuant to Treas. Reg. Section 1.148-5(c). The City presently has unexpended proceeds from certain debt issues that require yield restriction as described above. The City is currently in compliance with these yield restriction requirements and does not anticipate associated significant noncompliance issues. The City is continuing to proceed with reasonable diligence to expend any remaining unexpended debt issuance proceeds on qualifying projects or to retire related debt issues still outstanding.

Capital Lease Obligations

The City has entered into capital lease agreements in order to fund energy conservation projects and equipment. The capital lease obligations are paid out of the Water and Wastewater Fund.

The assets acquired through capital leases are as follows:

Asset:	
Machinery and equipment	\$ 1,779,935
Less: accumulated depreciation	<u>(1,779,935)</u>
	<u>\$ -</u>

Following is a summary of future lease payments due on these acquisitions:

<u>Year Ending</u> <u>September 30,</u>	<u>Business-type Activities</u> <u>Scheduled Payments</u>
2020	284,925
2021	472,779
2022	<u>266,352</u>
Total minimum lease payments	1,024,056
Less: interest portion	<u>(79,512)</u>
Present value of minimum lease payments	<u>\$ 944,544</u>

Fund balances for all the major and nonmajor governmental funds as of September 30, 2019, were distributed as follows:

	<u>General</u>	<u>Debt Service</u>	<u>RDC Projects</u>	<u>2016 Certificates of Obligation</u>	<u>2017 Certificates of Obligation</u>	<u>Bryan Road County Mobility Project</u>	<u>Other Governmental</u>	<u>Total</u>
Nonspendable:								
Inventory	\$ 18,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,063
Prepays	<u>80,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110</u>	<u>80,839</u>
Subtotal	<u>98,792</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110</u>	<u>98,902</u>
Restricted for:								
Economic development	-	-	-	-	-	-	1,145,175	1,145,175
Court security and tech	-	-	-	-	-	-	957	957
Community development	-	-	9,627,662	-	-	-	1,106,373	10,734,035
Law enforcement	-	-	-	-	-	-	1,077,959	1,077,959
Fire services	-	-	-	-	-	-	631,398	631,398
Capital projects	-	-	-	947,300	7,300,129	172,254	6,743,878	15,163,561
Debt service	-	5,856,536	-	-	-	-	-	5,856,536
Subtotal	<u>-</u>	<u>5,856,536</u>	<u>9,627,662</u>	<u>947,300</u>	<u>7,300,129</u>	<u>-</u>	<u>10,705,740</u>	<u>34,437,367</u>
Assigned to:								
Subsequent year's budget appropriated fund balance	<u>1,750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,750,000</u>
Subtotal	<u>1,750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,750,000</u>
Unassigned	<u>15,926,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,926,869</u>
Total	<u>\$ 17,775,661</u>	<u>\$ 5,856,536</u>	<u>\$ 9,627,662</u>	<u>\$ 947,300</u>	<u>\$ 7,300,129</u>	<u>\$ 172,254</u>	<u>\$ 10,705,850</u>	<u>\$ 52,385,392</u>

IV. OTHER INFORMATION

A. Defined Benefit Pension Policies

Plan Descriptions. The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided. TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in over of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The City grants monetary credits for service rendered of a theoretical amount equal to two times what would have been contributed by the employee, with interest. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

Beginning in 2010, the City granted an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC) which is a theoretical amount that takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 2010, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years to any age, 5 years at age 60 and above
Updated service credit	100% Repeating Transfers
Annuity Increase to retirees	70% of CPI Repeating

Employees covered by benefit terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	159
Inactive employees entitled to but not yet receiving benefits	176
Active employees	<u>251</u>
Total	<u><u>586</u></u>

Contributions. The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are with 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contributions rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.58% and 16.47% in calendar years 2018 and 2019, respectively. The city's contributions to TMRS for the year ended September 30, 2019, were \$2,697,550 and were equal to the required contributions.

Net Pension Liability. The city's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
U.S. Equities	17.5%	4.30%
International Equities	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Estate	10.0%	4.44%
Real Return	10.0%	3.78%
Absolute Return	10.0%	3.56%
Private Equity	5.0%	7.75%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2017	\$ 69,208,256	\$ 61,029,451	\$ 8,178,805
Changes for the year:			
Service cost	2,657,523	-	2,657,523
Interest	4,973,547	-	4,973,547
Change in benefit terms including substantively automatic status	4,750,555	-	4,750,555
Difference between expected and actual experience	(774,670)	-	(774,670)
Contributions - employer	-	2,200,858	(2,200,858)
Contributions - employee	-	987,784	(987,784)
Net investment income	-	(1,828,615)	1,828,615
Benefit payments, including refunds of employee contributions	(3,210,794)	(3,210,794)	-
Administrative expense	-	(35,332)	35,332
Other changes	-	(1,847)	1,847
Net changes	<u>8,396,161</u>	<u>(1,887,946)</u>	<u>10,284,107</u>
Balance at 12/31/2018	<u>\$ 77,604,417</u>	<u>\$ 59,141,505</u>	<u>\$ 18,462,912</u>

In prior years, the net pension liability for governmental activities has been primarily liquidated by the General Fund.

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) of 1-percentage-higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Single Rate Assumption (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 31,290,809	\$ 18,462,912	\$ 8,187,963

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. The report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the City recognized pension expense of \$8,230,759.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 92,863	\$ 805,740
Changes in actuarial assumptions	-	4,697
Difference between projected and actual investment earnings	3,161,862	-
Contributions subsequent to the measurement date	<u>1,968,633</u>	<u>-</u>
Total	<u>\$ 5,223,358</u>	<u>\$ 810,437</u>

\$1,968,633 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year Ended September 30,</u>	
2020	\$ 900,986
2021	189,323
2022	275,502
2023	1,078,477
2024	-
Thereafter	<u>-</u>
Total	<u>\$ 2,444,288</u>

B. Post-Employment Benefit Plans Other Than Pensions (OPEB) – TMRS Supplemental Death Benefits Fund

Plan Description. The City voluntarily participates in a single-employer other postemployment benefit (OPEB) plan administered by TMRS. The Plan is a group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The Plan is established and administered in accordance with the TMRS Act identically to the City’s pension plan. SDBF includes coverage for both active and retired members, and assets are commingled for the payment of such benefits. Therefore, the Plan does not qualify as an OPEB Trust in accordance with paragraph 4 of GASB Statement No. 75.

Benefits Provided. The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Payments from this fund are similar to group-term life insurance benefits, and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other employment benefit and is a fixed amount of \$7,500.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	103
Inactive employees entitled to but not yet receiving benefits	44
Active employees	<u>251</u>
Total	<u>398</u>

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.12% for 2018 and 0.12% for 2019, of which 0.03% and 0.03%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the years ended September 30, 2018 and 2019 were \$4,645 and \$4,941, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Actuarial Assumptions. The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50% per annum
Discount rate	3.71%
Actuarial cost method	Entry Age Normal Method
Projected salary increases	3.50% to 10.5% including inflation

Administrative expenses for the SDBF are paid through the TMRS Pension Trust Fund and are wholly accounted for under provisions of GASB Statement No. 68.

Salary increases were based on a service-related table.

Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who became disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 3.71% was used to measure the Total OPEB Liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2018.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.71%) in measuring the Total OPEB Liability.

	<u>1% Decrease in Discount Rate (2.71%)</u>	<u>Current Discount Rate (3.71%)</u>	<u>1% Increase in Discount Rate (4.71%)</u>
Total OPEB Liability	\$ 740,750	\$ 603,906	\$ 499,787

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs.

At September 30, 2019, the City reported a liability of \$603,906 for its Total OPEB Liability. The Total OPEB Liability was determined by an actuarial valuation as of December 31, 2018. For the year ended September 30, 2019, the City recognized OPEB expense of \$44,436. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 12/31/2017	\$ 630,593
Changes for the year:	
Service cost	25,160
Interest	21,211
Difference between expected and actual experience	(18,007)
Changes of assumptions	(50,334)
Benefit payments	<u>(4,717)</u>
Net changes	<u>(26,687)</u>
Balance at 12/31/2018	<u>\$ 603,906</u>

In prior years, the total OPEB liability for governmental activities has been primarily liquidated by the General Fund.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 15,355
Changes in actuarial assumptions	38,944	42,921
Contributions subsequent to the measurement date	<u>3,612</u>	<u>-</u>
Totals	<u>\$ 42,556</u>	<u>\$ 58,276</u>

\$3,612 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2020. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the Year Ended September 30,</u>	
2020	\$(1,935)
2021	(1,935)
2022	(1,935)
2023	(1,935)
2024	(3,641)
Thereafter	<u>(7,951)</u>
	<u>\$(19,332)</u>

C. Texas Statewide Emergency Services Personnel Retirement Fund

Plan Description. The City participates in the Texas Statewide Emergency Services Personnel Retirement Fund (the "Fund"), a cost-sharing multiple employer pension system established and administered by the State of Texas to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. The Fund provides retirement, disability, and death benefits to plan members and their beneficiaries. State statutes authorize the State to establish and amend all plan provisions. The Fund does not issue a stand-alone financial report, but is considered a component unit of the State of Texas financial reporting entity and is included in the State's financial reports as a pension trust fund. A report may be obtained by contacting the Texas Comptroller (Post Office Box 13528, Capitol Station, Austin, Texas 78711).

Funding Policy. The contribution requirements of the plan members and the City are established and may be amended by the State. No contributions are required by volunteer emergency services personnel. The City is required to contribute at least \$12 per month for each active member and can elect to increase the monthly amount. Additional contributions may be required by the City to pay for unfunded prior service costs from a prior plan or to establish credit in the Fund for service prior to entry in the Fund. The City's contributions to the Fund for the years ended September 30, 2019, 2018, and 2017 were \$46,272, \$48,190, and \$61,812, respectively, and were equal to the required contributions for each year.

Deferred Compensation Plan. The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all fulltime City employees at their option and permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

D. Post-Employment Benefits Other Than Pensions (OPEB) – Retiree Health Plan

Plan Description. The City of Rosenberg offers its eligible retirees and their dependents medical and prescription drug coverage through a single-employer defined benefit OPEB plan, under City policy. The plan is administered by the City and it has the authority to establish and amend the benefit terms and financing arrangements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits and Contributions. The pre-65 plan is a continuation of the self-insured active plan offered through Blue Cross. The post-65 plan is fully-insured Medicare Advantage plan offered through Aetna. Retirees' contributions toward the cost depend on when they retired and their number of years of service at the time of retirement. To retire and be eligible for the benefits, an employee must be at least 60 years old and 5 years of service or have at least 20 years of service. Coverage for dependents (including spouses) is not subsidized. Thus no liability was assumed for the dependents.

Retirees are responsible for payment of premiums for dependent coverage, and the City pays the retirees premiums. The City's contributions to the OPEB for the year ended September 30, 2019, were \$500,532, which equal benefit payments for retirees.

The number of employees covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	48
Active members	<u>263</u>
Total	<u>311</u>

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Valuation Date	September 30, 2018
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50%
Salary Increases	3.00%, including inflation
Demographic Assumptions	Based on the experience study covering the four year period ending December 31, 2014 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	The general RP-2014 Combined Table projected using MP-2017 was used with no gender roll-forwards or roll-backs. 2017 representative rates for non-annuitant males and females are 39-133% and 16-106%, respectively. 2017 rates for annuitant males and females are 39-133% and 16-106%, respectively.
Health care cost trend rates	For Pre-65, initial rate of 7.20% declining to an ultimate rate of 4.29% after 27 years; For post-65, initial rate of 5.40% declining to an ultimate rate of 4.29% after 27 years.
Participation rates	It was assumed that 83% of retirees who are eligible for the City subsidy would choose to receive health care benefits through the City.
Discount rate	3.83%

Projections of health benefits are based on the plan as understood by the City and includes the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its employees to that point. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

A Single Discount Rate of 3.83% was used to measure the total OPEB liability. This Single Discount Rate was based on the municipal bond rates as of the measurement date. The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of September 30, 2019.

Changes in the Total OPEB Liability

The City's total OPEB liability of \$17,526,327 was measured as of September 30, 2018 and was determined by an actuarial valuation of as September 30, 2018.

	Total OPEB Liability
Balance at 9/30/2018	\$ 16,394,190
Changes for the year:	
Service cost	976,940
Interest on the total liability	655,729
Changes in assumptions and other inputs	-
Benefit payments	(500,532)
Net changes	<u>1,132,137</u>
Balance at 9/30/2019	<u>\$ 17,526,327</u>

In prior years, the total OPEB liability for governmental activities has been primarily liquidated by the General Fund.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.83%) in measuring the total OPEB liability:

	<u>1% Decrease in Discount Rate (2.83%)</u>	<u>Discount Rate (3.83%)</u>	<u>1% Increase in Discount Rate (4.83%)</u>
City's total OPEB liability	\$ 21,245,620	\$ 17,526,327	\$ 14,649,965

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the total OPEB liability.

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
City's total OPEB liability	\$ 14,303,854	\$ 17,526,327	\$ 21,863,915

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2019, the City recognized OPEB expense of \$1,435,815. At September 30, 2019, the City reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>
Changes in actuarial assumptions	\$ 590,562
Total	\$ 590,562

Other amounts of the reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the Year Ended September 30,</u>	
2020	\$(196,854)
2021	(196,854)
2022	(196,854)

E. Interfund Receivables, Payables, and Transfers

The city had no interfund receivables or payables as of September 30, 2019.

The interfund transfers as of September 30, 2019, are as follows:

	<u>Transfers in</u>						
	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Water and Wastewater</u>	<u>Civic center rentals</u>	<u>Information Services</u>		Total
Transfers out:							
General fund	\$ -	\$ 1,710,000	\$ 3,161,469	\$ 1,068,072	\$ 24,000	\$ 37,500	\$ 6,001,041
2016 Certificate of Obligation	-	-	-	2,787,244	-	-	2,787,244
2017 Certificate of Obligation	-	-	-	537,864	-	-	537,864
Nonmajor governmental funds	210,425	-	1,181,120	244,705	304,200	-	1,940,450
RDC projects	-	-	-	1,564,705	-	-	1,564,705
Water and wastewater	1,516,446	3,184,825	136,017	-	-	-	4,837,288
Civic center rentals	-	62,950	-	-	-	-	62,950
Totals	<u>\$ 1,726,871</u>	<u>\$ 4,957,775</u>	<u>\$ 4,478,606</u>	<u>\$ 6,202,590</u>	<u>\$ 328,200</u>	<u>\$ 37,500</u>	<u>\$ 17,731,542</u>

Transfers are used to move revenues from the fund with collection authorization to other funds to finance various programs and projects of the City.

During the 2019 fiscal year, the transfers to the General Fund from the various funds were made to reimburse the General Fund for various services including, but not limited to, staffing for various special events and financial and project management services. The transfers to the Debt Service Fund from the various funds were made to reimburse the Debt Service Fund for debt that was issued for projects for those funds and backed by ad valorem taxes.

The transfers to the Water and Wastewater Fund were made since water/wastewater projects were completed that were funded with general obligation bond funds. The transfers are recorded when the assets are booked.

F. Risk Management

The City is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. The City has not significantly reduced insurance coverage or had settlements, which exceeded coverage amounts for the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported (IBNRs). Claim liabilities are calculated considering effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for claims and judgments is only reported in the government-wide financial statements because it is not expected to be liquidated with expandable available financial resources. However, none were noted at September 30, 2019.

The City has established a Health Insurance Internal Service Fund. The purpose of this fund is to pay medical premiums of the City employees and their covered dependents and minimize the total cost of annual medical insurance to the City. Charges to other funds and charges to employees provide revenue for the Health Insurance Fund.

G. Commitments and Contingencies

In 2015, the RDC entered into a performance agreement with Texas State Technical College (TSTC) to fund up to \$2,500,000 for a 104,000 square foot TSTC Campus to be located in Rosenberg. In FY 2019, the RDC paid \$200,000 for year 4 of the agreement. The payments are made as follows:

- Year One – Five: \$200,000
- Year Six – Ten: \$300,000

Rosenberg Business Park – The RDC and City of Rosenberg have entered into a development agreement with the Rosenberg Business Park LTD., for the development of the Rosenberg Business Park. The RDC and City are committed to each fund 50% of the total infrastructure costs for phase two of the Business Park Infrastructure. The anticipated costs for each entity is expected to be \$852,450.

H. Tax Abatement Incentives

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. The City's economic development agreements are authorized under Chapter 312 (Property Redevelopment and Tax Abatement) of the Texas Tax Code. The economic development agreements are designed to support the creation of new businesses, the expansion and retention of existing businesses within the City, and the attraction of companies that offer high impact jobs and share the community's values. Recipients may be eligible to receive economic assistance based on the employment, economic or community impact of the project requesting assistance. Recipients generally commit to building or remodeling real property and related infrastructure, redeveloping properties, expanding operations or bringing targeted business to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has the following category of economic development agreements:

- General Economic Development – The City enters into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount or a percentage of property taxes or sales taxes received by the City, may result in fee reductions such as utility charges or building inspection or permit fees, or make lump sum payments to offset moving expenses, tenant finish-outs, demolition costs, infrastructure reimbursements, redevelopment costs, or other expenses. For fiscal year 2019, the City and RDC rebated \$1,298,678 in sales tax.

I. Subsequent Events

On December 13, 2019, the City used available funds to defease debt for certain City debt that was callable. The City transferred \$1,448,938 to fund this transaction.

On February 20, 2020, the City issued General Obligation Refunding Bonds, Series 2020 in the amount of \$7,075,000. These proceeds will be used to pay off debt that the City has that is callable.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

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CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Original Budget	Final Budget	Actual	Variance from Final
REVENUES				
Property taxes	\$ 6,715,300	\$ 6,715,300	\$ 6,806,084	\$ 90,784
Sales and use taxes	13,800,000	13,800,000	14,108,795	308,795
Franchise taxes	1,915,000	1,915,000	1,938,747	23,747
Licenses and permits	688,600	688,600	832,679	144,079
Fines and forfeitures	522,600	522,600	492,630	(29,970)
Fees and charges for services	5,205,320	5,205,320	5,424,756	219,436
Intergovernmental	1,976,040	2,165,523	3,042,213	876,690
Investment earnings	150,000	150,000	417,719	267,719
Other	234,305	234,305	261,041	26,736
Total revenue	<u>31,207,165</u>	<u>31,396,648</u>	<u>33,324,664</u>	<u>1,928,016</u>
EXPENDITURES				
General government:				
Mayor and City Council	58,815	58,815	31,033	27,782
City manager	649,056	665,056	664,034	1,022
City secretary	281,221	281,221	268,372	12,849
Finance	781,555	781,555	723,212	58,343
Human Resources	351,014	351,014	308,342	42,672
Legal	220,000	401,500	401,254	246
City prosecutor	40,000	40,950	40,950	-
Municipal court	403,682	403,682	386,941	16,741
Technology	443,541	472,197	373,380	98,817
Communications	245,893	245,893	202,186	43,707
General government	<u>1,399,384</u>	<u>1,399,386</u>	<u>1,999,768</u>	<u>(600,382)</u>
Total general government	<u>4,874,161</u>	<u>5,101,269</u>	<u>5,399,472</u>	<u>(298,203)</u>
Public safety:				
Police and emergency management	9,633,751	9,695,501	8,836,332	859,169
Fire and fire marshal	4,293,025	4,595,119	4,537,297	57,822
Animal control	331,495	416,585	407,033	9,552
School officers and crossing guards	<u>1,894,640</u>	<u>2,033,344</u>	<u>2,002,902</u>	<u>30,442</u>
Total public safety	<u>16,152,911</u>	<u>16,740,549</u>	<u>15,783,564</u>	<u>956,985</u>
Public works:				
Streets and drainage	2,565,944	2,565,944	2,321,769	244,175
Street lighting and signals	523,000	523,000	493,124	29,876
Solid waste	3,500,000	3,500,000	3,399,332	100,668
Building maintenance	159,005	159,005	151,094	7,911
City engineer	405,000	626,000	619,344	6,656
Fleet maintenance	<u>413,627</u>	<u>413,627</u>	<u>376,634</u>	<u>36,993</u>
Total public works	<u>7,566,576</u>	<u>7,787,576</u>	<u>7,361,297</u>	<u>426,279</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Original Budget	Final Budget	Actual	Variance from Final
EXPENDITURES (Continued)				
Community development:				
Planning	\$ 477,303	\$ 477,303	\$ 477,233	\$ 70
Parks and recreation	1,055,188	1,055,188	969,002	86,186
Special events	198,178	198,178	154,261	43,917
Code enforcement	722,590	722,590	657,303	65,287
Public health	<u>179,851</u>	<u>179,851</u>	<u>176,741</u>	<u>3,110</u>
Total community development	<u>2,633,110</u>	<u>2,633,110</u>	<u>2,434,540</u>	<u>198,570</u>
Capital outlay	<u>1,120,000</u>	<u>1,123,550</u>	<u>608,796</u>	<u>514,754</u>
Total expenditures	<u>32,346,758</u>	<u>33,386,054</u>	<u>31,587,669</u>	<u>1,798,385</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,139,593)</u>	<u>(1,989,406)</u>	<u>1,736,995</u>	<u>3,726,401</u>
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	-	-	34,430	34,430
Sale of capital asset	5,000	5,000	10,639	5,639
Transfers in	1,726,871	1,726,871	1,726,871	-
Transfers out	<u>(4,856,541)</u>	<u>(6,001,041)</u>	<u>(6,001,041)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,124,670)</u>	<u>(4,269,170)</u>	<u>(4,229,101)</u>	<u>40,069</u>
NET CHANGE IN FUND BALANCE	<u>(4,264,263)</u>	<u>(6,258,576)</u>	<u>(2,492,106)</u>	<u>3,766,470</u>
FUND BALANCE, BEGINNING	<u>17,093,465</u>	<u>15,556,454</u>	<u>20,267,767</u>	<u>4,711,313</u>
FUND BALANCE, ENDING	<u>\$ 12,829,202</u>	<u>\$ 9,297,878</u>	<u>\$ 17,775,661</u>	<u>\$ 8,477,783</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RDC PROJECTS - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance from Final
REVENUES			
Intergovernmental	\$ 5,845,000	\$ 6,238,548	\$ 393,548
Investment earnings	<u>10,000</u>	<u>187,220</u>	<u>177,220</u>
Total revenue	<u>5,855,000</u>	<u>6,425,768</u>	<u>570,768</u>
 EXPENDITURES			
Current:			
Community development	100,000	9,981	90,019
Capital outlay	<u>12,547,926</u>	<u>2,195,983</u>	<u>10,351,943</u>
Total expenditures	<u>12,647,926</u>	<u>2,205,964</u>	<u>10,441,962</u>
 OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(1,300,000)</u>	<u>(1,564,705)</u>	<u>(264,705)</u>
Total other financing sources (uses)	<u>(1,300,000)</u>	<u>(1,564,705)</u>	<u>(264,705)</u>
 NET CHANGE IN FUND BALANCE	 (8,092,926)	 2,655,099	 10,748,025
 FUND BALANCE, ENDING	 <u>\$(8,092,926)</u>	 <u>\$ 2,655,099</u>	 <u>\$ 10,748,025</u>

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CITY OF ROSENBERG, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Measurement Date December 31,	2014	2015
	<hr/>	<hr/>
A. Total pension liability		
Service Cost	\$ 1,665,767	\$ 1,995,907
Interest (on the Total Pension Liability)	3,869,483	4,076,807
Change in benefit terms including substantively automatic status	-	-
Difference between expected and actual experience	(551,553)	289,636
Changes in assumptions	-	(25,808)
Benefit payments, including refunds of employee contributions	<u>(1,994,965)</u>	<u>(2,379,033)</u>
Net change in total pension liability	2,988,732	3,957,509
Total pension liability - beginning	<u>58,431,660</u>	<u>62,389,169</u>
Total pension liability - ending (a)	<u>61,420,392</u>	<u>66,346,678</u>
B. Plan fiduciary net position		
Contributions - Employer	1,843,970	1,986,101
Contributions - Employee	743,396	840,382
Net Investment Income	2,657,661	73,296
Benefit payments, including refunds of employee contributions	(1,994,965)	(2,379,033)
Administrative Expenses	(27,745)	(44,645)
Other	<u>(2,281)</u>	<u>(2,205)</u>
Net change in plan fiduciary net position	3,220,036	473,896
Plan fiduciary net position - beginning	<u>49,637,565</u>	<u>50,147,461</u>
Plan fiduciary net position - ending (b)	<u>52,857,601</u>	<u>50,621,357</u>
C. Net pension liability - ending (a) - (b)	<u>\$ 8,562,791</u>	<u>\$ 15,725,321</u>
D. Plan fiduciary net position as a percentage of total pension liability	86.06%	76.30%
E. Covered payroll	\$ 12,383,933	\$ 14,006,366
F. Net position liability as a percentage of covered payroll	69.14%	112.27%

Note: This schedule is required to have 10 years of information but the information prior to 2014 is not available.

<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 2,034,621	\$ 2,139,697	\$ 2,657,523
4,180,290	4,383,721	4,973,547
-	-	4,750,555
(518,072)	69,996	(774,670)
-	-	-
<u>(2,952,510)</u>	<u>(2,518,656)</u>	<u>(3,210,794)</u>
2,744,329	4,074,758	8,396,161
<u>65,133,498</u>	<u>69,208,256</u>	<u>69,208,256</u>
<u>67,877,827</u>	<u>73,283,014</u>	<u>77,604,417</u>
1,928,740	1,966,261	2,200,858
858,490	898,292	987,784
3,389,430	7,392,526	(1,828,615)
(2,952,510)	(2,518,656)	(3,210,794)
(38,275)	(38,306)	(35,332)
<u>(2,062)</u>	<u>(1,940)</u>	<u>(1,847)</u>
3,183,813	7,698,177	(1,887,946)
<u>53,331,274</u>	<u>61,029,451</u>	<u>61,029,451</u>
<u>56,515,087</u>	<u>68,727,628</u>	<u>59,141,505</u>
\$ <u>11,362,740</u>	\$ <u>4,555,386</u>	\$ <u>18,462,912</u>
83.26%	93.78%	76.21%
\$ 14,308,168	\$ 14,942,016	\$ 15,724,990
79.41%	30.49%	117.41%

CITY OF ROSENBERG, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Fiscal Year Ended September 30,	2015	2016	2017	2018	2019
Actuarial determined contribution	\$ 1,909,555	\$ 1,941,325	\$ 1,950,736	\$ 2,022,036	\$ 2,697,550
Contributions in relation to the actuarially determined contribution	\$ 1,909,555	\$ 1,941,325	\$ 1,950,736	\$ 2,022,036	\$ 2,697,550
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	13,181,944	14,230,199	14,742,619	15,482,968	15,724,990
Contributions as a percentage of covered payroll	14.49%	13.64%	13.23%	13.06%	17.15%

Note: This schedule is required to have 10 years of information but the information prior to 2014 is not available.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes Increased employee contribution rate from 6% to 7%.

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CITY OF ROSENBERG, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
RETIREE HEALTH CARE BENEFIT PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Measurement Date September 30,	<u>2018</u>	<u>2019</u>
A. Total OPEB liability		
Service Cost	\$ 1,035,876	\$ 976,940
Interest on the total OPEB liability	595,478	655,729
Changes of assumptions and other inputs	(984,270)	-
Benefit payments	<u>(461,319)</u>	<u>(500,532)</u>
Net change in total OPEB liability	<u>185,765</u>	<u>1,132,137</u>
Total OPEB liability - beginning	<u>16,208,425</u>	<u>16,394,190</u>
Total OPEB liability - ending	<u>\$ 16,394,190</u>	<u>\$ 17,526,327</u>
B. Covered-employee payroll	\$ 21,716,538	\$ 16,804,153
C. Total OPEB liability as a percentage of covered-employee payroll	75.49%	104.30%

Notes to Schedule:

- No assets are accumulated in a trust for the retiree health care plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- This schedule is required to have 10 years of information, but the information prior to 2018 is not available.
- Included in the changes of assumptions was the discount rate of 3.83%.

CITY OF ROSENBERG, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFITS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Measurement Date December 31,	<u>2017</u>	<u>2018</u>
A. Total OPEB liability		
Service Cost	\$ 20,919	\$ 25,160
Interest (on the Total OPEB Liability)	20,658	21,211
Difference between expected and actual experience	-	(18,007)
Changes of assumptions	55,204	(50,334)
Benefit payments, including refunds of employee contributions	(4,483)	(4,717)
Net change in Total OPEB liability	92,298	(26,687)
Total OPEB liability - beginning	<u>538,295</u>	<u>630,593</u>
Total OPEB liability - ending (a)	<u>630,593</u>	<u>603,906</u>
B. Covered employee payroll	\$ 14,942,016	\$ 15,724,990
C. Total OPEB liability as a percentage of covered employee payroll	4.22%	3.84%

Notes to Schedule:

- No assets are accumulated in a trust for the SDBF plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.
- Included in the changes of assumptions was an increase to the discount rate from 3.31% to 3.71%.

CITY OF ROSENBERG, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2019

BUDGETS AND BUDGETARY ACCOUNTING

Annual appropriated budgets are adopted for the General, Special Revenue, and Debt Service Funds on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end.

Expenditures may not legally exceed budgeted appropriations at the department level. Expenditure requests, which would require an increase in total budgeted appropriations, must be approved by City Council through a formal budget amendment. At any time in the fiscal year, the Council may make emergency appropriations to meet a pressing need for public expenditure in order to protect the public health, safety, or welfare. The Council has the power to transfer any unencumbered funds allocated by the budget from one activity, function, or department, to another activity, function, or department, to re-estimate revenues and expenditures, and to amend the budget.

Management has the authority to transfer available funds allocated by the budget from one function or activity to another function or activity within the same department.

In cooperation with the department heads of the City, the City Manager and Director of Finance prepare an annual budget for the General, Special Revenue, and Debt Service Funds for the ensuing fiscal year, in a form and style as deemed desirable by Council. The budget, as adopted, must set forth the appropriations for services, functions, and activities of the various City departments and agencies, and shall meet all fund requirements provided by law and required by applicable bond covenants.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Government department was over budget (page 56) due to the General Fund's funding of \$646,500 to the Rosenberg Development Corporation for the City's infrastructure improvements related to the Dollar Tree Project.

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**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

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CITY OF ROSENBERG, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2019

	<u>Nonmajor Special Revenue</u>	<u>Nonmajor Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and investments	\$ 4,094,093	\$ 7,217,598	\$ 11,311,691
Receivables:			
Taxes	31,537	14,345	45,882
Other	6,851	-	6,851
Intergovernmental	20,481	-	20,481
Prepaid items	<u>110</u>	<u>-</u>	<u>110</u>
Total assets	<u>4,153,072</u>	<u>7,231,943</u>	<u>11,385,015</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	139,700	488,065	627,765
Accrued liabilities	<u>51,400</u>	<u>-</u>	<u>51,400</u>
Total liabilities	<u>191,100</u>	<u>488,065</u>	<u>679,165</u>
Fund balances:			
Nonspendable			
Prepays	110	-	110
Restricted	<u>3,961,862</u>	<u>6,743,878</u>	<u>10,705,740</u>
Total fund balances	<u>3,961,972</u>	<u>6,743,878</u>	<u>10,705,850</u>
 Total liabilities and fund balances	\$ <u>4,153,072</u>	\$ <u>7,231,943</u>	\$ <u>11,385,015</u>

CITY OF ROSENBERG, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Nonmajor Special Revenue</u>	<u>Nonmajor Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Sales tax	\$ 537,357	\$ -	\$ 537,357
Franchise tax	-	58,418	58,418
Fines and forfeitures	94,737	-	94,737
Intergovernmental revenue	1,442,189	1,519,722	2,961,911
Investment earnings	92,455	116,545	209,000
Other	<u>281,429</u>	<u>314,618</u>	<u>596,047</u>
Total revenues	<u>2,448,167</u>	<u>2,009,303</u>	<u>4,457,470</u>
EXPENDITURES			
Current:			
General government	258,940	65,805	324,745
Public safety	1,590,379	-	1,590,379
Community development	964	-	964
Capital outlay	<u>444,345</u>	<u>3,329,591</u>	<u>3,773,936</u>
Total expenditures	<u>2,294,628</u>	<u>3,395,396</u>	<u>5,690,024</u>
EXCESS (DEFICIENCY) OF REVENUES (OVER) UNDER EXPENDITURES	<u>153,539</u>	<u>(1,386,093)</u>	<u>(1,232,554)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,511,569	2,967,037	4,478,606
Transfers out	<u>(1,824,797)</u>	<u>(115,653)</u>	<u>(1,940,450)</u>
Total other financing sources (uses)	<u>(313,228)</u>	<u>2,851,384</u>	<u>2,538,156</u>
NET CHANGE IN FUND BALANCES	<u>(159,689)</u>	<u>1,465,291</u>	<u>1,305,602</u>
FUND BALANCES, BEGINNING	<u>4,121,661</u>	<u>5,278,587</u>	<u>9,400,248</u>
FUND BALANCES, ENDING	<u>\$ 3,961,972</u>	<u>\$ 6,743,878</u>	<u>\$ 10,705,850</u>

CITY OF ROSENBERG, TEXAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2019

	<u>Hotel / Motel Tax</u>	<u>Municipal Court Technology</u>	<u>Beautification</u>	<u>Law Enforcement</u>
ASSETS				
Cash and investments	\$ 1,176,561	\$ 49	\$ 158,252	\$ 469,746
Receivables:				
Taxes	31,537	-	-	-
Other	-	-	-	6,851
Intergovernmental	-	-	-	-
Prepaid items	<u>110</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>1,208,208</u>	\$ <u>49</u>	\$ <u>158,252</u>	\$ <u>476,597</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 59,832	\$ -	\$ 16	\$ 20,810
Accrued liabilities	<u>3,091</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>62,923</u>	<u>-</u>	<u>16</u>	<u>20,810</u>
Fund balances:				
Nonspendable				
Prepays	110	-	-	-
Restricted	<u>1,145,175</u>	<u>49</u>	<u>158,236</u>	<u>455,787</u>
Total fund balances	<u>1,145,285</u>	<u>49</u>	<u>158,236</u>	<u>455,787</u>
Total liabilities and fund balances	\$ <u>1,208,208</u>	\$ <u>49</u>	\$ <u>158,252</u>	\$ <u>476,597</u>

<u>Community Development Block Grant</u>	<u>Police Asset Forfeiture</u>	<u>Park Land Dedication</u>	<u>Juvenile Case Manager</u>	<u>Municipal Court Child Safety</u>	<u>Municipal Court Building Security</u>	<u>Mud Fire Services</u>
\$ 321,775	\$ 49,092	\$ 620,947	\$ 160,536	\$ 210,791	\$ 908	\$ 611,952
-	-	-	-	-	-	-
-	-	-	-	-	-	-
15,756	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 337,531</u>	<u>\$ 49,092</u>	<u>\$ 620,947</u>	<u>\$ 160,536</u>	<u>\$ 210,791</u>	<u>\$ 908</u>	<u>\$ 611,952</u>
\$ 8,213	\$ 10,160	\$ 2,128	\$ 1,004	\$ 5,730	\$ -	\$ -
-	-	-	-	-	-	-
<u>8,213</u>	<u>10,160</u>	<u>2,128</u>	<u>1,004</u>	<u>5,730</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
<u>329,318</u>	<u>38,932</u>	<u>618,819</u>	<u>159,532</u>	<u>205,061</u>	<u>908</u>	<u>611,952</u>
<u>329,318</u>	<u>38,932</u>	<u>618,819</u>	<u>159,532</u>	<u>205,061</u>	<u>908</u>	<u>611,952</u>
<u>\$ 337,531</u>	<u>\$ 49,092</u>	<u>\$ 620,947</u>	<u>\$ 160,536</u>	<u>\$ 210,791</u>	<u>\$ 908</u>	<u>\$ 611,952</u>

CITY OF ROSENBERG, TEXAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
(Continued)
SEPTEMBER 30, 2019

	Police Federal Forfeiture	Fire Station Number 3 Operating	Total Nonmajor Special Revenue Funds
ASSETS			
Cash and investments	\$ 224,511	\$ 88,973	\$ 4,094,093
Receivables:			
Taxes	-	-	31,537
Other	-	-	6,851
Intergovernmental	4,725	-	20,481
Prepaid expenses	-	-	110
Total assets	<u>\$ 229,236</u>	<u>\$ 88,973</u>	<u>\$ 4,153,072</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 10,589	\$ 21,218	\$ 139,700
Accrued liabilities	-	48,309	51,400
Total liabilities	<u>10,589</u>	<u>69,527</u>	<u>191,100</u>
Fund balances:			
Nonspendable			
Prepays	-	-	110
Restricted	<u>218,647</u>	<u>19,446</u>	<u>3,961,862</u>
Total fund balances	<u>218,647</u>	<u>19,446</u>	<u>3,961,972</u>
Total liabilities and fund balances	<u>\$ 229,236</u>	<u>\$ 88,973</u>	<u>\$ 4,153,072</u>

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CITY OF ROSENBERG, TEXAS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Hotel / Motel Tax</u>	<u>Municipal Court Technology</u>	<u>Beautification</u>	<u>Law Enforcement</u>
REVENUES				
Sales tax	\$ 537,357	\$ -	\$ -	\$ -
Fines and forfeitures	-	17,507	-	-
Intergovernmental revenue	-	-	-	120,885
Investment earnings	31,604	53	3,609	11,324
Other	950	-	22,000	-
Total revenues	<u>569,911</u>	<u>17,560</u>	<u>25,609</u>	<u>132,209</u>
EXPENDITURES				
Current:				
General government	204,260	21,572	-	-
Public safety	-	-	-	131,848
Community development	-	-	964	-
Capital outlay	<u>320,204</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>524,464</u>	<u>21,572</u>	<u>964</u>	<u>131,848</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>45,447</u>	<u>(4,012)</u>	<u>24,645</u>	<u>361</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>(459,125)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(459,125)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(413,678)</u>	<u>(4,012)</u>	<u>24,645</u>	<u>361</u>
FUND BALANCES, BEGINNING	<u>1,558,963</u>	<u>4,061</u>	<u>133,591</u>	<u>455,426</u>
FUND BALANCES, ENDING	<u>\$ 1,145,285</u>	<u>\$ 49</u>	<u>\$ 158,236</u>	<u>\$ 455,787</u>

<u>Community Development Block Grant</u>	<u>Police Asset Forfeiture</u>	<u>Park Land Dedication</u>	<u>Juvenile Case Manager</u>	<u>Municipal Court Child Safety</u>	<u>Municipal Court Building Security</u>	<u>Mud Fire Services</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	22,807	42,910	11,513	-
119,210	-	-	-	-	-	1,175,180
-	1,162	13,321	3,954	5,084	66	15,900
-	1,236	256,558	-	685	-	-
<u>119,210</u>	<u>2,398</u>	<u>269,879</u>	<u>26,761</u>	<u>48,679</u>	<u>11,579</u>	<u>1,191,080</u>
-	-	-	625	32,483	-	-
-	4,616	-	-	-	-	-
-	-	-	-	-	-	-
-	-	124,141	-	-	-	-
<u>-</u>	<u>4,616</u>	<u>124,141</u>	<u>625</u>	<u>32,483</u>	<u>-</u>	<u>-</u>
<u>119,210</u>	<u>(2,218)</u>	<u>145,738</u>	<u>26,136</u>	<u>16,196</u>	<u>11,579</u>	<u>1,191,080</u>
77,600	-	-	-	-	-	-
(70,672)	-	-	(32,200)	(7,800)	(15,500)	(1,239,500)
<u>6,928</u>	<u>-</u>	<u>-</u>	<u>(32,200)</u>	<u>(7,800)</u>	<u>(15,500)</u>	<u>(1,239,500)</u>
126,138	(2,218)	145,738	(6,064)	8,396	(3,921)	(48,420)
<u>203,180</u>	<u>41,150</u>	<u>473,081</u>	<u>165,596</u>	<u>196,665</u>	<u>4,829</u>	<u>660,372</u>
<u>\$ 329,318</u>	<u>\$ 38,932</u>	<u>\$ 618,819</u>	<u>\$ 159,532</u>	<u>\$ 205,061</u>	<u>\$ 908</u>	<u>\$ 611,952</u>

CITY OF ROSENBERG, TEXAS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Police Federal Forfeiture	Fire Station Number 3 Operating	Total Nonmajor Special Revenue Funds
REVENUES			
Sales tax	\$ -	\$ -	\$ 537,357
Fines and forfeitures	-	-	94,737
Intergovernmental revenue	26,914	-	1,442,189
Investment earnings	5,324	1,054	92,455
Other	-	-	281,429
Total revenues	<u>32,238</u>	<u>1,054</u>	<u>2,448,167</u>
EXPENDITURES			
Current:			
General government	-	-	258,940
Public safety	34,300	1,419,615	1,590,379
Community development	-	-	964
Capital outlay	-	-	444,345
Total expenditures	<u>34,300</u>	<u>1,419,615</u>	<u>2,294,628</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,062)</u>	<u>(1,418,561)</u>	<u>153,539</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,433,969	1,511,569
Transfers out	-	-	(1,824,797)
Total other financing sources (uses)	<u>-</u>	<u>1,433,969</u>	<u>(313,228)</u>
NET CHANGE IN FUND BALANCES	<u>(2,062)</u>	<u>15,408</u>	<u>(159,689)</u>
FUND BALANCES, BEGINNING	<u>220,709</u>	<u>4,038</u>	<u>4,121,661</u>
FUND BALANCES, ENDING	<u>\$ 218,647</u>	<u>\$ 19,446</u>	<u>\$ 3,961,972</u>

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CITY OF ROSENBERG, TEXAS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

SEPTEMBER 30, 2019

	Seabourne Creek Capacity	Operating Projects	2007 General Obligation	2015 Certificates of Obligation
ASSETS				
Cash and investments	\$ -	\$ 1,542,256	\$ 938,198	\$ 315,677
Receivables:				
Taxes	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 1,542,256</u>	<u>\$ 938,198</u>	<u>\$ 315,677</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	<u>\$ -</u>	<u>\$ 80,867</u>	<u>\$ 24,289</u>	<u>\$ 115,616</u>
Total liabilities	<u>-</u>	<u>80,867</u>	<u>24,289</u>	<u>115,616</u>
Fund balances:				
Restricted	-	1,461,389	913,909	200,061
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>1,461,389</u>	<u>913,909</u>	<u>200,061</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,542,256</u>	<u>\$ 938,198</u>	<u>\$ 315,677</u>

<u>PEG Capital</u>	<u>Bamore Road County Mobility Project</u>	<u>Spacek Road County Mobility Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 262,369	\$ 2,744,538	\$ 1,414,560	\$ 7,217,598
<u>14,345</u>	<u>-</u>	<u>-</u>	<u>14,345</u>
<u>\$ 276,714</u>	<u>\$ 2,744,538</u>	<u>\$ 1,414,560</u>	<u>\$ 7,231,943</u>
<u>\$ 47,783</u>	<u>\$ 199,759</u>	<u>\$ 19,751</u>	<u>\$ 488,065</u>
<u>47,783</u>	<u>199,759</u>	<u>19,751</u>	<u>488,065</u>
228,931	2,544,779	1,394,809	6,743,878
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>228,931</u>	<u>2,544,779</u>	<u>1,394,809</u>	<u>6,743,878</u>
<u>\$ 276,714</u>	<u>\$ 2,744,538</u>	<u>\$ 1,414,560</u>	<u>\$ 7,231,943</u>

CITY OF ROSENBERG, TEXAS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Seabourne Creek Capacity	Operating Projects	2007 General Obligation	2015 Certificates of Obligation
REVENUES				
Franchise tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	213,731	-	-
Investment earnings	-	50,775	23,084	7,571
Other	-	302,118	12,500	-
Total revenues	<u>-</u>	<u>566,624</u>	<u>35,584</u>	<u>7,571</u>
EXPENDITURES				
Current:				
General government	-	65,805	-	-
Capital outlay	-	1,661,655	67,494	-
Total expenditures	<u>-</u>	<u>1,727,460</u>	<u>67,494</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(1,160,836)</u>	<u>(31,910)</u>	<u>7,571</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	317,000	37	-
Transfers out	<u>(37)</u>	<u>-</u>	<u>-</u>	<u>(115,616)</u>
Total other financing sources (uses)	<u>(37)</u>	<u>317,000</u>	<u>37</u>	<u>(115,616)</u>
NET CHANGE IN FUND BALANCES	<u>(37)</u>	<u>(843,836)</u>	<u>(31,873)</u>	<u>(108,045)</u>
FUND BALANCES, BEGINNING	<u>37</u>	<u>2,305,225</u>	<u>945,782</u>	<u>308,106</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ 1,461,389</u>	<u>\$ 913,909</u>	<u>\$ 200,061</u>

PEG Capital	Bamore Road County Mobility Project	Spacek Road County Mobility Project	Total Nonmajor Capital Projects Funds
\$ 58,418	\$ -	\$ -	\$ 58,418
-	-	1,305,991	1,519,722
6,112	-	29,003	116,545
-	-	-	314,618
<u>64,530</u>	<u>-</u>	<u>1,334,994</u>	<u>2,009,303</u>
-	-	-	65,805
<u>65,444</u>	<u>875,221</u>	<u>659,777</u>	<u>3,329,591</u>
<u>65,444</u>	<u>875,221</u>	<u>659,777</u>	<u>3,395,396</u>
(914)	(875,221)	675,217	(1,386,093)
-	2,650,000	-	2,967,037
-	-	-	(115,653)
-	<u>2,650,000</u>	-	<u>2,851,384</u>
(914)	1,774,779	675,217	1,465,291
<u>229,845</u>	<u>770,000</u>	<u>719,592</u>	<u>5,278,587</u>
\$ <u>228,931</u>	\$ <u>2,544,779</u>	\$ <u>1,394,809</u>	\$ <u>6,743,878</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance from Final
REVENUES			
Property taxes	\$ 4,126,813	\$ 4,076,947	\$(49,866)
Intergovernmental	1,128,561	1,128,562	1
Investment earnings	<u>75,000</u>	<u>153,598</u>	<u>78,598</u>
Total revenue	<u>5,330,374</u>	<u>5,359,107</u>	<u>28,733</u>
EXPENDITURES			
Debt service:			
Principal retirement	8,260,000	8,260,000	-
Interest and fiscal agent fees	<u>2,112,149</u>	<u>2,100,491</u>	<u>11,658</u>
Total debt service	<u>10,372,149</u>	<u>10,360,491</u>	<u>11,658</u>
Total expenditures	<u>10,372,149</u>	<u>10,360,491</u>	<u>11,658</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,041,775)</u>	<u>(5,001,384)</u>	<u>40,391</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>4,957,775</u>	<u>4,957,775</u>	<u>-</u>
Total other financing sources (uses)	<u>4,957,775</u>	<u>4,957,775</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(84,000)</u>	<u>(43,609)</u>	<u>40,391</u>
FUND BALANCE, BEGINNING	<u>5,900,145</u>	<u>5,900,145</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 5,816,145</u>	<u>\$ 5,856,536</u>	<u>\$ 40,391</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOTEL/MOTEL TAX FUND - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Budget	Final		
REVENUES				
Taxes:				
Sales	\$ 700,000	\$ 700,000	\$ 537,357	\$(162,643)
Investment earnings	20,000	20,000	31,604	11,604
Other	6,000	6,000	950	(5,050)
Total revenue	726,000	726,000	569,911	(156,089)
EXPENDITURES				
Current:				
General Government	375,339	375,339	204,260	171,079
Capital outlay	-	265,500	320,204	(54,704)
Total expenditures	375,339	640,839	524,464	171,079
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	350,661	85,161	45,447	(39,714)
OTHER FINANCING SOURCES (USES)				
Transfers out	(459,125)	(459,125)	(459,125)	-
Total other financing sources (uses)	(459,125)	(459,125)	(459,125)	-
NET CHANGE IN FUND BALANCE	(108,464)	(373,964)	(413,678)	(39,714)
FUND BALANCE, BEGINNING	1,558,963	1,558,963	1,558,963	-
FUND BALANCE, ENDING	\$ 1,450,499	\$ 1,184,999	\$ 1,145,285	\$(39,714)

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COURT TECHNOLOGY - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance With Final Budget - Positive (Negative)
REVENUES			
Fines and forfeitures	\$ 20,100	\$ 17,507	\$(2,593)
Investment earnings	<u>103</u>	<u>53</u>	<u>(50)</u>
Total revenue	<u>20,203</u>	<u>17,560</u>	<u>(2,643)</u>
EXPENDITURES			
Current:			
General government	<u>24,500</u>	<u>21,572</u>	<u>2,928</u>
Total expenditures	<u>24,500</u>	<u>21,572</u>	<u>2,928</u>
NET CHANGE IN FUND BALANCE	(4,297)	(4,012)	285
FUND BALANCE, BEGINNING	<u>4,061</u>	<u>4,061</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u>(236)</u>	\$ <u>49</u>	\$ <u>285</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BEAUTIFICATION - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance from Final
REVENUES			
Investment earnings	\$ 100	\$ 3,609	\$ 3,509
Other	<u>24,000</u>	<u>22,000</u>	<u>(2,000)</u>
Total revenue	<u>24,100</u>	<u>25,609</u>	<u>1,509</u>
EXPENDITURES			
Current:			
Community Development	<u>8,000</u>	<u>964</u>	<u>7,036</u>
Total expenditures	<u>8,000</u>	<u>964</u>	<u>7,036</u>
NET CHANGE IN FUND BALANCE	16,100	24,645	8,545
FUND BALANCE, BEGINNING	<u>133,591</u>	<u>133,591</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u>149,691</u>	\$ <u>158,236</u>	\$ <u>8,545</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAW ENFORCEMENT - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance from Final
REVENUES			
Intergovernmental	\$ -	\$ 120,885	\$ 120,885
Investment earnings	<u>2,000</u>	<u>11,324</u>	<u>9,324</u>
Total revenue	<u>2,000</u>	<u>132,209</u>	<u>130,209</u>
EXPENDITURES			
Current:			
Public safety	<u>185,272</u>	<u>131,848</u>	<u>53,424</u>
Total expenditures	<u>185,272</u>	<u>131,848</u>	<u>53,424</u>
NET CHANGE IN FUND BALANCE	(183,272)	361	183,633
FUND BALANCE, BEGINNING	<u>455,426</u>	<u>455,426</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u>272,154</u>	\$ <u>455,787</u>	\$ <u>183,633</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CDBG - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance from Final
REVENUES			
Intergovernmental	\$ 353,804	\$ 119,210	\$(234,594)
Total revenue	<u>353,804</u>	<u>119,210</u>	<u>(234,594)</u>
EXPENDITURES			
Capital outlay	<u>537,349</u>	<u>-</u>	<u>537,349</u>
Total expenditures	<u>537,349</u>	<u>-</u>	<u>537,349</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(183,545)</u>	<u>119,210</u>	<u>302,755</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	77,600	77,600	-
Transfers out	<u>-</u>	<u>(70,672)</u>	<u>(70,672)</u>
Total other financing sources (uses)	<u>77,600</u>	<u>6,928</u>	<u>(70,672)</u>
NET CHANGE IN FUND BALANCE	<u>(105,945)</u>	<u>126,138</u>	<u>232,083</u>
FUND BALANCE, BEGINNING	<u>203,180</u>	<u>203,180</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 97,235</u>	<u>\$ 329,318</u>	<u>\$ 232,083</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE ASSET FORFEITURE - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance from Final</u>
REVENUES			
Investment earnings	\$ -	\$ 1,162	\$ 1,162
Other	<u>-</u>	<u>1,236</u>	<u>1,236</u>
Total revenue	<u>-</u>	<u>2,398</u>	<u>2,398</u>
EXPENDITURES			
Current:			
Public Safety	<u>10,000</u>	<u>4,616</u>	<u>5,384</u>
Total expenditures	<u>10,000</u>	<u>4,616</u>	<u>5,384</u>
NET CHANGE IN FUND BALANCE	(10,000)	(2,218)	7,782
FUND BALANCE, BEGINNING	<u>41,150</u>	<u>41,150</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 31,150</u>	<u>\$ 38,932</u>	<u>\$ 7,782</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARK LAND DEDICATION - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance from Final</u>
REVENUES			
Investment earnings	\$ 4,000	\$ 13,321	\$ 9,321
Other	<u>5,000</u>	<u>256,558</u>	<u>251,558</u>
Total revenue	<u>9,000</u>	<u>269,879</u>	<u>260,879</u>
EXPENDITURES			
Capital outlay	<u>184,843</u>	<u>124,141</u>	<u>60,702</u>
Total expenditures	<u>184,843</u>	<u>124,141</u>	<u>60,702</u>
NET CHANGE IN FUND BALANCE	(175,843)	145,738	321,581
FUND BALANCE, BEGINNING	<u>473,081</u>	<u>473,081</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 297,238</u>	<u>\$ 618,819</u>	<u>\$ 321,581</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUVENILE CASE MANAGER - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance from Final
REVENUES			
Fines and forfeitures	\$ 23,000	\$ 22,807	\$(193)
Investment earnings	<u>1,000</u>	<u>3,954</u>	<u>2,954</u>
Total revenue	<u>24,000</u>	<u>26,761</u>	<u>2,761</u>
 EXPENDITURES			
Current:			
General government	<u>2,000</u>	<u>625</u>	<u>1,375</u>
Total expenditures	<u>2,000</u>	<u>625</u>	<u>1,375</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>22,000</u>	<u>26,136</u>	<u>4,136</u>
 OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(32,200)</u>	<u>(32,200)</u>	<u>-</u>
Total other financing sources (uses)	<u>(32,200)</u>	<u>(32,200)</u>	<u>-</u>
 NET CHANGE IN FUND BALANCE	<u>(10,200)</u>	<u>(6,064)</u>	<u>4,136</u>
 FUND BALANCE, BEGINNING	<u>165,596</u>	<u>165,596</u>	<u>-</u>
 FUND BALANCE, ENDING	<u>\$ 155,396</u>	<u>\$ 159,532</u>	<u>\$ 4,136</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COURT CHILD SAFETY - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance from Final
REVENUES			
Fines and forfeitures	\$ 41,000	\$ 42,910	\$ 1,910
Investment earnings	1,000	5,084	4,084
Other	<u>-</u>	<u>685</u>	<u>685</u>
Total revenue	<u>42,000</u>	<u>48,679</u>	<u>6,679</u>
EXPENDITURES			
Current:			
General government	<u>53,000</u>	<u>32,483</u>	<u>20,517</u>
Total expenditures	<u>53,000</u>	<u>32,483</u>	<u>20,517</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,000)</u>	<u>16,196</u>	<u>27,196</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(7,800)</u>	<u>(7,800)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,800)</u>	<u>(7,800)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(18,800)</u>	<u>8,396</u>	<u>27,196</u>
FUND BALANCE, BEGINNING	<u>196,665</u>	<u>196,665</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 177,865</u>	<u>\$ 205,061</u>	<u>\$ 27,196</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COURT BUILDING SECURITY - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance from Final
REVENUES			
Fines and forfeitures	\$ 13,500	\$ 11,513	\$(1,987)
Investment earnings	<u>-</u>	<u>66</u>	<u>66</u>
Total revenue	<u>13,500</u>	<u>11,579</u>	<u>(1,921)</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>13,500</u>	<u>11,579</u>	<u>(1,921)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(15,500)</u>	<u>(15,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(15,500)</u>	<u>(15,500)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(2,000)</u>	<u>(3,921)</u>	<u>(1,921)</u>
FUND BALANCE, BEGINNING	<u>4,829</u>	<u>4,829</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 2,829</u>	<u>\$ 908</u>	<u>\$(1,921)</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MUD FIRE - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance from Final
REVENUES			
Intergovernmental	\$ 1,213,500	\$ 1,175,180	\$(38,320)
Investment earnings	<u>6,000</u>	<u>15,900</u>	<u>9,900</u>
Total revenue	<u>1,219,500</u>	<u>1,191,080</u>	<u>(28,420)</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,219,500</u>	<u>1,191,080</u>	<u>(28,420)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(1,239,500)</u>	<u>(1,239,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,239,500)</u>	<u>(1,239,500)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(20,000)	(48,420)	(28,420)
FUND BALANCE, BEGINNING	<u>660,372</u>	<u>660,372</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u>640,372</u>	\$ <u>611,952</u>	\$(<u>28,420</u>)

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE FEDERAL FORFEITURE - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance from <u>Final</u>
REVENUES			
Intergovernmental	\$ 24,520	\$ 26,914	\$ 2,394
Investment earnings	<u>1,000</u>	<u>5,324</u>	<u>4,324</u>
Total revenue	<u>25,520</u>	<u>32,238</u>	<u>6,718</u>
EXPENDITURES			
Current:			
Public Safety	<u>35,000</u>	<u>34,300</u>	<u>700</u>
Total expenditures	<u>35,000</u>	<u>34,300</u>	<u>700</u>
NET CHANGE IN FUND BALANCE	(9,480)	(2,062)	7,418
FUND BALANCE, BEGINNING	<u>220,709</u>	<u>220,709</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u>211,229</u>	\$ <u>218,647</u>	\$ <u>7,418</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE STATION #3 - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance from Final
REVENUES			
Investment earnings	\$ 200	\$ 1,054	\$ 854
Total revenue	<u>200</u>	<u>1,054</u>	<u>854</u>
EXPENDITURES			
Current:			
Public safety	<u>1,434,169</u>	<u>1,419,615</u>	<u>14,554</u>
Total expenditures	<u>1,434,169</u>	<u>1,419,615</u>	<u>14,554</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,433,969)</u>	<u>(1,418,561)</u>	<u>15,408</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>1,413,969</u>	<u>1,433,969</u>	<u>20,000</u>
Total other financing sources (uses)	<u>1,413,969</u>	<u>1,433,969</u>	<u>20,000</u>
NET CHANGE IN FUND BALANCE	(20,000)	15,408	35,408
FUND BALANCE, BEGINNING	<u>4,038</u>	<u>4,038</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u>(15,962)</u>	\$ <u>19,446</u>	\$ <u>35,408</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PEG CAPITAL - CAPITAL PROJECTS FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance from Final</u>
REVENUES			
Franchise taxes	\$ 70,000	\$ 58,418	\$(11,582)
Investment earnings	<u>-</u>	<u>6,112</u>	<u>6,112</u>
Total revenue	<u>70,000</u>	<u>64,530</u>	<u>(5,470)</u>
EXPENDITURES			
Capital outlay	<u>63,500</u>	<u>65,444</u>	<u>(1,944)</u>
Total expenditures	<u>63,500</u>	<u>65,444</u>	<u>(1,944)</u>
NET CHANGE IN FUND BALANCE	6,500	(914)	(7,414)
FUND BALANCE, BEGINNING	<u>229,845</u>	<u>229,845</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 236,345</u>	<u>\$ 228,931</u>	<u>\$(7,414)</u>

CITY OF ROSENBERG, TEXAS

COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS

SEPTEMBER 30, 2019

	<u>Health Insurance</u>	<u>Fleet Replacement</u>	<u>Information Services</u>	<u>Total Internal Service Funds</u>
ASSETS				
Current assets:				
Cash and investments	\$ 354,448	\$ 4,703,910	\$ 106,424	\$ 5,164,782
Prepaid items	<u>300,519</u>	<u>-</u>	<u>4,350</u>	<u>304,869</u>
Total current assets	<u>654,967</u>	<u>4,703,910</u>	<u>110,774</u>	<u>5,469,651</u>
Noncurrent assets:				
Capital assets:				
Machinery and equipment	-	4,972,446	725,218	5,697,664
Less: accumulated depreciation	<u>-</u>	<u>(3,301,637)</u>	<u>(646,967)</u>	<u>(3,948,604)</u>
Total noncurrent assets	<u>-</u>	<u>1,670,809</u>	<u>78,251</u>	<u>1,749,060</u>
Total assets	<u>654,967</u>	<u>6,374,719</u>	<u>189,025</u>	<u>7,218,711</u>
LIABILITIES				
Current liabilities:				
Accounts payable	<u>1,063</u>	<u>-</u>	<u>48,445</u>	<u>49,508</u>
Total current liabilities	<u>1,063</u>	<u>-</u>	<u>48,445</u>	<u>49,508</u>
Total liabilities	<u>1,063</u>	<u>-</u>	<u>48,445</u>	<u>49,508</u>
NET POSITION				
Net investment in capital assets	-	1,670,809	78,251	1,749,060
Unrestricted	<u>653,904</u>	<u>4,703,910</u>	<u>62,329</u>	<u>5,420,143</u>
Total net position	<u>\$ 653,904</u>	<u>\$ 6,374,719</u>	<u>\$ 140,580</u>	<u>\$ 7,169,203</u>

CITY OF ROSENBERG, TEXAS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Health Insurance</u>	<u>Fleet Replacement</u>	<u>Information Services</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES				
Charges for services	\$ <u>3,795,572</u>	\$ <u>811,538</u>	\$ <u>949,414</u>	\$ <u>5,556,524</u>
Total operating revenues	<u>3,795,572</u>	<u>811,538</u>	<u>949,414</u>	<u>5,556,524</u>
OPERATING EXPENSES				
Cost of sales and services	3,822,448	-	956,477	4,778,925
Depreciation	<u>-</u>	<u>384,869</u>	<u>22,051</u>	<u>406,920</u>
Total operating expenses	<u>3,822,448</u>	<u>384,869</u>	<u>978,528</u>	<u>5,185,845</u>
OPERATING INCOME (LOSS)	<u>(26,876)</u>	<u>426,669</u>	<u>(29,114)</u>	<u>370,679</u>
NONOPERATING REVENUES				
Investment earnings	<u>6,998</u>	<u>105,560</u>	<u>1,502</u>	<u>114,060</u>
Total nonoperating revenues	<u>6,998</u>	<u>105,560</u>	<u>1,502</u>	<u>114,060</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(19,878)</u>	<u>532,229</u>	<u>(27,612)</u>	<u>484,739</u>
TRANSFERS				
Transfers in	<u>-</u>	<u>-</u>	<u>37,500</u>	<u>37,500</u>
Total transfers	<u>-</u>	<u>-</u>	<u>37,500</u>	<u>37,500</u>
CHANGE IN NET POSITION	<u>(19,878)</u>	<u>532,229</u>	<u>9,888</u>	<u>522,239</u>
NET POSITION, BEGINNING	<u>673,782</u>	<u>5,842,490</u>	<u>130,692</u>	<u>6,646,964</u>
NET POSITION, ENDING	\$ <u>653,904</u>	\$ <u>6,374,719</u>	\$ <u>140,580</u>	\$ <u>7,169,203</u>

CITY OF ROSENBERG, TEXAS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Health Insurance	Fleet Replacement	Information Services	Total Internal Services Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 3,796,143	\$ 793,869	\$ 949,414	\$ 5,539,426
Disbursed for goods and services to suppliers	<u>(3,854,638)</u>	<u>-</u>	<u>(969,360)</u>	<u>(4,823,998)</u>
Net cash provided (used) by operating activities	<u>(58,495)</u>	<u>793,869</u>	<u>(19,946)</u>	<u>715,428</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds	<u>-</u>	<u>-</u>	<u>37,500</u>	<u>37,500</u>
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>37,500</u>	<u>37,500</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of equipment	<u>-</u>	<u>(105,217)</u>	<u>-</u>	<u>(105,217)</u>
Net cash used for capital and related financing activities	<u>-</u>	<u>(105,217)</u>	<u>-</u>	<u>(105,217)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings	<u>6,998</u>	<u>105,560</u>	<u>1,502</u>	<u>114,060</u>
Net cash provided by investing activities	<u>6,998</u>	<u>105,560</u>	<u>1,502</u>	<u>114,060</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(51,497)</u>	<u>794,212</u>	<u>19,056</u>	<u>761,771</u>
CASH AND CASH EQUIVALENTS, BEGINNING	<u>405,945</u>	<u>3,909,698</u>	<u>87,368</u>	<u>4,403,011</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 354,448</u>	<u>\$ 4,703,910</u>	<u>\$ 106,424</u>	<u>\$ 5,164,782</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$(26,876)	\$ 426,669	\$(29,114)	\$ 370,679
Adjustments to reconcile operating income to net cash used by operating activities:				
Depreciation	-	384,869	22,051	406,920
(Increase) decrease in other receivables	571	-	-	571
(Increase) decrease in prepaid items	(19,603)	-	(3,651)	(23,254)
(Increase) decrease in accounts payable and accrued liabilities	<u>(12,587)</u>	<u>(17,669)</u>	<u>(9,232)</u>	<u>(39,488)</u>
Total adjustments	<u>(31,619)</u>	<u>367,200</u>	<u>9,168</u>	<u>344,749</u>
Net cash provided (used) by operating activities	<u>\$(58,495)</u>	<u>\$ 793,869</u>	<u>\$(19,946)</u>	<u>\$ 715,428</u>

STATISTICAL SECTION

**STATISTICAL SECTION
(UNAUDITED)**

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

	<u>Page Number</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	95
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources. Although sales taxes are the City's most significant local revenue source, information about revenue base is unavailable and information about principal revenue payers is confidential under Texas statutes. Trend information about sales tax revenues I provided in Table 6. Additionally, information about the City's second most significant local revenue source, the property tax, is provided.	107
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	117
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	125
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	127

Sources – Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

CITY OF ROSENBERG, TEXAS
NET POSITION BY COMPONENT
(UNAUDITED)

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
Governmental activities:				
Net investment in capital assets	\$ 33,803,107	\$ 25,930,436	\$ 37,091,238	\$ 37,219,927
Restricted	7,657,493	7,651,906	9,305,959	10,581,044
Unrestricted	<u>6,365,692</u>	<u>15,998,818</u>	<u>14,680,942</u>	<u>14,761,496</u>
Total governmental activities net position	<u>\$ 47,826,292</u>	<u>\$ 49,581,160</u>	<u>\$ 61,078,139</u>	<u>\$ 62,562,467</u>
Business-type activities:				
Invested in capital assets, net of related debt	\$ 39,944,847	\$ 39,951,294	\$ 39,617,050	\$ 43,565,861
Unrestricted	<u>6,807,001</u>	<u>9,504,355</u>	<u>11,765,919</u>	<u>13,550,817</u>
Total business-type activities net position	<u>\$ 46,751,848</u>	<u>\$ 49,455,649</u>	<u>\$ 51,382,969</u>	<u>\$ 57,116,678</u>
Primary government:				
Net investment in capital assets	\$ 73,747,954	\$ 65,881,730	\$ 76,708,288	\$ 80,785,788
Restricted	7,657,493	7,651,906	9,305,959	10,581,044
Unrestricted	<u>13,172,693</u>	<u>25,503,173</u>	<u>26,446,861</u>	<u>28,312,313</u>
Total primary government net position	<u>\$ 94,578,140</u>	<u>\$ 99,036,809</u>	<u>\$ 112,461,108</u>	<u>\$ 119,679,145</u>

TABLE 1

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 39,982,793	\$ 45,031,276	\$ 44,536,858	\$ 39,787,127	\$ 32,415,489	\$ 43,105,920
14,699,152	11,657,814	13,429,994	17,217,918	21,514,250	20,039,074
<u>15,078,116</u>	<u>10,601,523</u>	<u>9,022,275</u>	<u>10,315,556</u>	<u>14,841,741</u>	<u>7,716,492</u>
<u>\$ 69,760,061</u>	<u>\$ 67,290,613</u>	<u>\$ 66,989,127</u>	<u>\$ 67,320,601</u>	<u>\$ 68,771,480</u>	<u>\$ 70,861,486</u>
\$ 44,504,314	\$ 50,564,934	\$ 56,850,394	\$ 64,082,657	\$ 65,482,173	\$ 68,980,345
<u>16,455,829</u>	<u>18,695,727</u>	<u>18,458,460</u>	<u>19,188,387</u>	<u>19,775,612</u>	<u>24,727,363</u>
<u>\$ 60,960,143</u>	<u>\$ 69,260,661</u>	<u>\$ 75,308,854</u>	<u>\$ 83,271,044</u>	<u>\$ 85,257,785</u>	<u>\$ 93,707,708</u>
\$ 84,487,107	\$ 95,596,210	\$ 101,387,252	\$ 103,869,784	\$ 97,897,662	\$ 112,086,265
14,699,152	11,647,814	13,429,994	17,217,918	21,514,250	20,039,074
<u>31,533,945</u>	<u>29,297,250</u>	<u>27,480,735</u>	<u>29,503,943</u>	<u>34,617,353</u>	<u>32,443,855</u>
<u>\$ 130,720,204</u>	<u>\$ 136,541,274</u>	<u>\$ 142,297,981</u>	<u>\$ 150,591,645</u>	<u>\$ 154,029,265</u>	<u>\$ 164,569,194</u>

CITY OF ROSENBERG, TEXAS

CHANGES IN NET POSITION
(UNAUDITED)

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year		
	2010	2011	2012
EXPENSES			
Governmental activities:			
General government	\$ 4,543,990	\$ 6,264,102	\$ 3,573,695
Public safety	11,363,799	11,079,052	11,487,867
Public works	7,413,394	7,714,821	7,054,048
Community development	2,066,781	1,966,684	2,887,685
Interest on long-term debt	1,890,855	2,109,455	2,005,530
Debt issuance costs	-	-	-
Total governmental activities expenses	<u>27,278,819</u>	<u>29,134,114</u>	<u>27,008,825</u>
Business-type activities:			
Water and sewer	5,541,932	6,366,473	6,870,352
Civic center rentals	-	-	-
Total business-type activities expenses	<u>5,541,932</u>	<u>6,366,473</u>	<u>6,870,352</u>
Total primary government program expenses	\$ <u>32,820,751</u>	\$ <u>35,500,587</u>	\$ <u>33,879,177</u>
PROGRAM REVENUES			
Governmental activities:			
Charges for services:			
General government	\$ 991,398	\$ 915,567	\$ 987,095
Public safety	169,472	136,915	1,423,286
Public works	3,836,951	3,929,779	4,327,317
Community development	20,274	32,023	140,449
Operating grants and contributions	2,708,807	2,904,132	311,124
Capital grants and contributions	<u>2,719,342</u>	<u>2,820,234</u>	<u>1,598,036</u>
Total governmental activities program revenues	<u>10,446,244</u>	<u>10,738,650</u>	<u>8,787,307</u>
Business-type activities:			
Charges for services:			
Water	4,011,869	5,038,411	5,970,615
Sewer	4,340,805	4,935,437	4,453,529
Civic center rentals	-	-	-
Operating grants and contributions	-	-	68,666
Capital grants and contributions	<u>115,891</u>	<u>467,393</u>	<u>412,122</u>
Total business-type activities program revenues	<u>8,468,565</u>	<u>10,441,241</u>	<u>10,904,932</u>
Total primary government program revenues	\$ <u>18,914,809</u>	\$ <u>21,179,891</u>	\$ <u>19,692,239</u>

TABLE 2

		Fiscal Year											
		2013	2014	2015	2016	2017	2018	2019					
\$	4,208,848	\$	3,995,452	\$	4,504,358	\$	5,350,906	\$	4,446,334	\$	5,539,396	\$	6,562,067
	12,043,046		13,430,159		13,688,321		15,997,582		17,405,764		17,388,136		21,781,177
	7,264,024		7,236,352		7,962,151		9,224,710		9,408,265		12,564,950		11,988,077
	2,866,455		2,616,778		3,037,820		3,704,464		3,885,492		3,093,782		3,878,243
	2,194,440		2,039,639		2,095,192		2,140,471		2,362,480		2,311,732		1,716,802
	-		128,148		65,849		85,470		-		-		-
	<u>28,576,813</u>		<u>29,446,528</u>		<u>31,353,691</u>		<u>36,503,603</u>		<u>37,508,335</u>		<u>40,897,996</u>		<u>45,926,366</u>
	7,236,812		7,163,452		7,862,720		9,445,663		10,386,479		10,898,020		13,586,594
	-		391,242		403,256		294,626		333,868		479,223		222,330
	<u>7,236,812</u>		<u>7,554,694</u>		<u>8,265,976</u>		<u>9,740,289</u>		<u>10,720,347</u>		<u>11,377,243</u>		<u>13,808,924</u>
\$	<u>35,813,625</u>	\$	<u>37,001,222</u>	\$	<u>39,619,667</u>	\$	<u>46,243,892</u>	\$	<u>48,228,682</u>	\$	<u>52,275,239</u>	\$	<u>59,735,290</u>
\$	927,203	\$	850,652	\$	895,956	\$	842,483	\$	938,557	\$	956,304	\$	862,313
	1,588,845		1,953,287		2,220,117		2,251,968		2,477,945		2,922,656		3,555,298
	4,048,440		4,386,859		4,751,892		4,693,162		4,977,523		5,333,801		5,778,800
	187,720		104,582		34,992		29,291		31,481		27,671		25,005
	289,050		187,547		252,706		184,004		693,220		1,042,181		742,504
	<u>2,770,160</u>		<u>5,028,824</u>		<u>4,433,455</u>		<u>4,181,490</u>		<u>4,827,839</u>		<u>7,013,826</u>		<u>9,532,748</u>
	<u>9,811,418</u>		<u>12,511,751</u>		<u>12,589,118</u>		<u>12,182,398</u>		<u>13,946,565</u>		<u>17,296,439</u>		<u>20,496,668</u>
	6,319,988		6,803,044		8,125,375		9,046,596		10,237,415		11,209,375		13,375,551
	4,712,109		5,058,751		5,327,572		5,381,662		5,296,433		5,309,921		5,177,370
	-		115,780		78,104		99,385		102,605		121,053		109,534
	282,696		3,997		496,547		-		155,589		6,788		1,336,750
	<u>525,482</u>		<u>517,470</u>		<u>687,808</u>		<u>778,401</u>		<u>-</u>		<u>-</u>		<u>-</u>
	<u>11,840,275</u>		<u>12,499,042</u>		<u>14,715,406</u>		<u>15,306,044</u>		<u>15,792,042</u>		<u>16,647,137</u>		<u>19,999,205</u>
\$	<u>21,651,693</u>	\$	<u>25,010,793</u>	\$	<u>27,304,524</u>	\$	<u>27,488,442</u>	\$	<u>29,738,607</u>	\$	<u>33,943,576</u>	\$	<u>40,495,873</u>

CITY OF ROSENBERG, TEXAS

CHANGES IN NET POSITION
(UNAUDITED)
(Continued)

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year		
	2010	2011	2012
NET (EXPENSE) REVENUES			
Governmental activities	\$(16,832,575)	\$(18,395,464)	\$(18,221,518)
Business-type activities	<u>2,926,633</u>	<u>4,074,768</u>	<u>4,034,580</u>
Total primary government net expense	<u>(13,905,942)</u>	<u>(14,320,696)</u>	<u>(14,186,938)</u>
 GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities:			
Taxes			
Property	7,662,802	7,504,772	7,495,321
Sales	8,733,789	8,988,995	10,053,941
Franchise	1,627,628	1,578,896	1,585,406
Investment earnings	102,412	75,054	55,875
Gain on sale of capital assets	-	-	-
Other revenue	287,950	573,928	379,081
Transfers	<u>(513,441)</u>	<u>1,428,687</u>	<u>2,118,609</u>
Total governmental activities	<u>17,901,140</u>	<u>20,150,332</u>	<u>21,688,233</u>
Business-type activities:			
Investment earnings	20,987	13,204	11,349
Other revenue	61,143	-	-
Transfers	<u>513,441</u>	<u>(1,428,687)</u>	<u>(2,118,609)</u>
Total business-type activities	<u>595,571</u>	<u>(1,415,483)</u>	<u>(2,107,260)</u>
Total primary government	<u>18,496,711</u>	<u>18,734,849</u>	<u>19,580,973</u>
 CHANGE IN NET POSITION			
Governmental activities	1,068,565	1,754,868	3,466,715
Business-type activities	<u>3,522,204</u>	<u>2,659,285</u>	<u>1,927,320</u>
Total primary government	<u>\$ 4,590,769</u>	<u>\$ 4,414,153</u>	<u>\$ 5,394,035</u>

Prior to 2006, governmental activities charges for services revenue is not available by function.

TABLE 2

Fiscal Year						
2013	2014	2015	2016	2017	2018	2019
\$(18,765,395)	\$(16,934,777)	\$(18,764,573)	\$(24,321,205)	\$(23,561,770)	\$(23,601,557)	\$(25,429,698)
<u>4,603,463</u>	<u>4,944,348</u>	<u>6,449,330</u>	<u>5,565,755</u>	<u>5,071,695</u>	<u>5,269,894</u>	<u>6,190,281</u>
<u>(14,161,932)</u>	<u>(11,990,429)</u>	<u>(12,315,243)</u>	<u>(18,755,450)</u>	<u>(18,490,075)</u>	<u>(18,331,663)</u>	<u>(19,239,417)</u>
7,959,179	8,557,411	8,833,478	9,573,741	10,657,377	11,071,864	10,875,805
11,128,093	13,083,487	13,386,446	12,424,687	13,127,091	15,229,952	14,646,152
1,780,202	1,851,747	1,898,719	1,924,699	1,963,484	1,967,554	1,997,165
43,146	20,512	33,739	202,646	466,386	954,997	1,361,297
-	90,641	172,184	54,717	-	909,746	10,639
395,991	337,321	403,605	264,045	420,524	192,669	259,198
<u>(1,116,030)</u>	<u>1,107,446</u>	<u>(2,585,254)</u>	<u>(414,816)</u>	<u>(2,741,618)</u>	<u>2,122,861</u>	<u>(1,630,552)</u>
<u>20,190,581</u>	<u>25,048,565</u>	<u>22,142,917</u>	<u>24,029,719</u>	<u>23,893,244</u>	<u>32,449,643</u>	<u>27,519,704</u>
14,216	6,563	11,070	67,622	148,877	349,995	629,090
-	-	-	-	-	-	-
<u>1,116,030</u>	<u>(1,107,446)</u>	<u>2,595,254</u>	<u>414,816</u>	<u>2,741,618</u>	<u>(2,122,861)</u>	<u>1,630,552</u>
<u>1,130,246</u>	<u>(1,100,883)</u>	<u>2,606,324</u>	<u>482,438</u>	<u>2,890,495</u>	<u>(1,772,866)</u>	<u>2,259,642</u>
<u>21,320,827</u>	<u>23,947,682</u>	<u>24,749,241</u>	<u>24,512,157</u>	<u>26,783,739</u>	<u>30,676,777</u>	<u>29,779,346</u>
1,425,186	8,113,788	3,368,334	(291,486)	331,474	8,848,086	2,090,006
<u>5,733,709</u>	<u>3,843,465</u>	<u>9,055,654</u>	<u>6,048,193</u>	<u>7,962,190</u>	<u>3,497,028</u>	<u>8,449,923</u>
<u>\$ 7,158,895</u>	<u>\$ 11,957,253</u>	<u>\$ 12,423,988</u>	<u>\$ 5,756,707</u>	<u>\$ 8,293,664</u>	<u>\$ 12,345,114</u>	<u>\$ 10,539,929</u>

CITY OF ROSENBERG, TEXAS
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
(UNAUDITED)

LAST TEN YEARS
(accrual basis of accounting)

Function	Fiscal Year			
	2010	2011	2012	2013
Property taxes	\$ 7,662,802	\$ 7,504,772	\$ 7,495,321	\$ 7,959,179
Sales taxes	8,733,789	8,988,995	10,053,941	11,128,093
Franchise taxes	<u>1,627,628</u>	<u>1,578,896</u>	<u>1,585,406</u>	<u>1,780,202</u>
Total	<u>\$ 18,024,219</u>	<u>\$ 18,072,663</u>	<u>\$ 19,134,668</u>	<u>\$ 20,867,474</u>

TABLE 3

Fiscal Year					
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 8,557,411	\$ 8,833,478	\$ 9,573,741	\$ 10,657,377	\$ 11,071,864	\$ 10,875,805
13,083,487	13,386,446	12,424,687	13,127,091	15,229,952	14,646,152
<u>1,851,747</u>	<u>1,898,719</u>	<u>1,924,699</u>	<u>1,963,484</u>	<u>1,967,554</u>	<u>1,997,165</u>
<u>\$ 23,492,645</u>	<u>\$ 24,118,643</u>	<u>\$ 23,923,127</u>	<u>\$ 25,747,952</u>	<u>\$ 28,269,370</u>	<u>\$ 27,519,122</u>

CITY OF ROSENBERG, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS
(UNAUDITED)

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General fund:				
Nonspendable	\$ 28,715	\$ 250,502	\$ 39,243	\$ 53,418
Assigned	-	-	497,318	500,982
Unassigned	<u>4,399,287</u>	<u>4,398,185</u>	<u>6,243,049</u>	<u>7,834,098</u>
Total general fund	<u>\$ 4,428,002</u>	<u>\$ 4,648,687</u>	<u>\$ 6,779,610</u>	<u>\$ 8,388,498</u>
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	13,167,730	17,393,365	20,443,337	23,197,272
Assigned	-	-	545,525	-
Unassigned	<u>487,744</u>	<u>1,189,903</u>	<u>-</u>	<u>(835)</u>
Total all other governmental funds	<u>\$ 13,655,474</u>	<u>\$ 18,583,268</u>	<u>\$ 20,988,862</u>	<u>\$ 23,196,437</u>

TABLE 4

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 36,067	\$ 19,029	\$ 25,289	\$ 35,591	\$ 86,289	\$ 98,792
1,104,350	-	-	-	4,293,929	1,750,000
<u>11,894,623</u>	<u>15,450,057</u>	<u>15,670,160</u>	<u>17,057,874</u>	<u>15,887,549</u>	<u>15,926,869</u>
<u>\$ 13,035,040</u>	<u>\$ 15,469,086</u>	<u>\$ 15,695,449</u>	<u>\$ 17,093,465</u>	<u>\$ 20,267,767</u>	<u>\$ 17,775,661</u>
\$ -	\$ -	\$ -	\$ 1,981	\$ 1,981	\$ 110
28,526,910	25,129,068	26,495,326	27,069,605	36,048,452	34,609,621
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(98,147)</u>	<u>(154,614)</u>	<u>-</u>
<u>\$ 28,526,910</u>	<u>\$ 25,129,068</u>	<u>\$ 26,495,326</u>	<u>\$ 26,973,439</u>	<u>\$ 35,895,819</u>	<u>\$ 34,609,731</u>

CITY OF ROSENBERG, TEXAS

CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

(UNAUDITED)

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
REVENUES				
Taxes	\$ 18,052,945	\$ 18,067,969	\$ 19,158,616	\$ 20,846,124
Licenses and permits	385,461	433,122	585,083	613,391
Fines and forfeitures	737,463	634,437	665,836	657,690
Fees and charges for services	3,895,170	4,095,461	4,173,636	3,835,622
Intergovernmental	5,059,708	5,743,934	3,667,174	5,206,542
Investment earnings	90,548	69,562	52,723	39,527
Other	252,574	410,219	710,964	536,217
Total revenues	<u>28,473,869</u>	<u>29,454,704</u>	<u>29,014,032</u>	<u>31,735,113</u>
EXPENDITURES				
General government	4,189,729	5,886,316	3,353,809	3,309,484
Public safety	10,098,624	10,315,878	10,725,354	11,126,683
Public works	5,348,163	5,314,788	4,819,422	4,407,271
Community development	1,797,454	1,648,288	2,351,073	2,528,271
Capital outlay	9,154,244	6,586,965	7,577,210	9,666,080
Debt service				
Principal	3,936,562	4,219,657	4,345,981	6,152,414
Interest and fiscal charges	1,883,113	2,085,237	1,983,170	2,123,645
Debt issuance costs	141,923	190,224	86,134	237,886
Total expenditures	<u>36,549,812</u>	<u>36,247,353</u>	<u>35,242,153</u>	<u>39,551,734</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,075,943)</u>	<u>(6,792,649)</u>	<u>(6,228,121)</u>	<u>(7,816,621)</u>
OTHER FINANCING SOURCES (USES)				
Debt issuance	7,358,164	10,505,000	8,600,000	12,410,000
Refunding bonds issued	-	4,860,000	-	-
Premium on bonds	418,441	209,422	-	227,641
Insurance proceeds	-	-	-	19,666
Payment to refunded bond escrow agent	-	(4,995,000)	-	-
Proceeds on sale of capital assets	-	-	49,000	32,665
Transfers in	2,718,604	3,240,516	4,382,807	5,179,079
Transfers out	(3,232,045)	(1,878,810)	(2,267,169)	(6,295,109)
Total other financing sources (uses)	<u>7,263,164</u>	<u>11,941,128</u>	<u>10,764,638</u>	<u>11,573,942</u>
NET CHANGE IN FUND BALANCES	<u>\$(812,779)</u>	<u>\$ 5,148,479</u>	<u>\$ 4,536,517</u>	<u>\$ 3,757,321</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>20.8%</u>	<u>21.1%</u>	<u>22.9%</u>	<u>27.2%</u>

TABLE 5

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ 23,512,541	\$ 24,116,844	\$ 23,951,861	\$ 25,745,046	\$ 28,213,601	\$ 27,526,348	
771,303	822,193	748,694	753,493	692,388	832,679	
573,433	612,230	559,799	663,834	675,460	587,367	
4,035,891	4,392,627	4,345,189	4,616,700	5,085,045	5,424,756	
9,495,522	7,419,273	7,105,930	3,930,169	10,699,195	17,397,749	
19,061	31,637	189,633	437,116	895,364	1,247,237	
450,829	505,433	304,601	698,751	454,921	857,088	
<u>38,858,580</u>	<u>37,900,237</u>	<u>37,205,707</u>	<u>36,845,109</u>	<u>46,715,974</u>	<u>53,873,224</u>	
3,446,026	3,787,085	3,864,072	3,787,501	5,030,650	5,724,217	
12,519,502	12,958,143	14,226,773	15,323,946	15,776,535	17,373,943	
4,511,391	5,059,614	5,590,942	5,894,608	7,130,734	7,361,297	
2,283,655	2,772,737	3,303,417	3,413,792	2,374,504	2,445,485	
6,903,952	7,871,262	10,396,946	5,815,083	8,850,948	12,763,002	
4,906,639	4,916,983	5,236,922	5,660,000	10,262,726	8,260,000	
2,101,713	2,177,290	2,224,256	2,246,523	2,170,996	2,100,491	
128,148	65,849	85,470	239,118	306,478	-	
<u>36,801,026</u>	<u>39,608,963</u>	<u>44,928,798</u>	<u>42,380,571</u>	<u>51,903,571</u>	<u>56,028,435</u>	
<u>2,057,554</u>	<u>(1,708,726)</u>	<u>(7,723,091)</u>	<u>(5,535,462)</u>	<u>(5,187,597)</u>	<u>(2,155,211)</u>	
6,565,000	3,000,000	9,760,000	9,825,000	9,320,000	-	
-	-	-	7,390,000	4,950,000	-	
133,572	168,000	209,584	687,315	551,465	-	
41,362	6,730	21,355	19,900	22,215	34,430	
-	-	-	(7,841,447)	-	-	
72,080	165,454	39,589	114,505	983,338	10,639	
5,200,179	7,024,867	5,858,844	6,926,714	7,065,926	11,163,252	
<u>(4,092,732)</u>	<u>(9,620,121)</u>	<u>(6,573,660)</u>	<u>(9,710,396)</u>	<u>(5,608,665)</u>	<u>(12,831,304)</u>	
<u>7,919,461</u>	<u>744,930</u>	<u>9,315,712</u>	<u>7,411,591</u>	<u>17,284,279</u>	<u>(1,622,983)</u>	
\$ <u>9,977,015</u>	\$ <u>(963,796)</u>	\$ <u>1,592,621</u>	\$ <u>1,876,129</u>	\$ <u>12,096,682</u>	\$ <u>(3,778,194)</u>	
<u>22.9%</u>	<u>21.9%</u>	<u>20.2%</u>	<u>20.2%</u>	<u>26.7%</u>	<u>23.2%</u>	

CITY OF ROSENBERG, TEXAS**TABLE 6****GOVERNMENTAL FUNDS TAX REVENUES BY SOURCE
(UNAUDITED)**LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Totals</u>
2010	\$ 7,691,528	\$ 8,733,789	\$ 1,627,628	\$ 18,052,945
2011	7,500,078	8,988,995	1,578,896	18,067,969
2012	7,519,269	10,053,941	1,585,406	19,158,616
2013	7,937,829	11,128,093	1,780,202	20,846,124
2014	8,577,307	13,083,487	1,851,747	23,512,541
2015	8,831,679	13,386,446	1,898,719	24,116,844
2016	9,602,475	12,424,687	1,924,699	23,951,861
2017	10,654,471	13,127,091	1,963,484	25,745,046
2018	11,016,095	14,390,792	1,967,554	27,374,441
2019	10,883,031	14,646,152	1,997,165	27,526,348

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CITY OF ROSENBERG, TEXAS

TAXABLE SALES BY CATEGORY
(UNAUDITED)

LAST TEN FISCAL YEARS

	2010	2011	2012	2013
Manufacturing	\$ 11,868,406	\$ 35,709,305	\$ 33,319,926	\$ 34,755,374
Construction	4,379,752	4,358,021	4,983,655	5,478,498
Mining/Oil and Gas Extraction	236,213	410,444	156,604	217,256
Wholesale Trade	41,970,803	19,433,287	15,371,499	14,399,273
Retail Trade	317,562,021	349,146,421	384,003,024	439,367,655
Information	7,756,997	8,366,727	9,711,481	12,557,755
Finance/Insurance	1,610,799	1,523,707	1,493,134	1,552,677
Real Estate/Rental/Leasing	6,131,109	3,945,113	3,324,471	3,511,362
Professional/Scientific/Technical	1,479,498	1,549,856	1,737,784	1,837,041
Admin/Waste Management	4,473,592	4,012,601	4,743,465	5,258,948
Entertainment/Recreation	677,975	709,310	79,539	16,075
Accommodation/Food Service	68,292,207	71,930,612	80,285,088	88,682,555
Other services	6,259,539	6,783,724	7,477,950	8,477,137
Other	-	-	-	-
Total	\$ 472,698,911	\$ 507,879,128	\$ 546,687,620	\$ 616,111,606
City direct sales tax rate	0.1250000%	0.0125000%	0.0125000%	0.0125000%

Source: Texas Comptroller of Public Accounts

* Represents the first three quarters of the 2019 fiscal year. The fourth quarter is not currently available.

TABLE 7

Fiscal Year					
2014	2015	2016	2017	2018	2019*
\$ 71,023,948	\$ 44,265,651	\$ 15,128,366	\$ 21,052,228	\$ 41,710,563	\$ 16,908,542
5,699,322	6,761,025	5,002,267	5,662,186	7,465,976	5,143,368
698,165	661,261	292,920	443,889	3,384,144	1,079,923
24,760,219	29,725,965	22,074,684	130,446,207	233,625,744	184,388,759
475,049,147	499,317,990	459,438,625	388,297,566	391,518,934	280,929,887
16,434,007	18,819,964	19,509,936	18,338,120	19,587,627	14,848,537
1,582,285	1,662,748	1,656,975	1,661,182	1,686,975	1,152,565
2,813,209	3,175,468	3,283,675	3,787,231	3,512,415	2,590,943
2,055,795	2,225,002	2,346,951	2,346,951	2,499,391	1,685,254
5,149,744	7,761,946	11,318,786	13,902,188	17,984,064	14,712,871
22,415	347,356	1,869,409	3,214,948	5,055,283	4,020,883
95,710,727	104,003,993	107,277,110	111,620,479	119,503,935	90,207,453
9,342,029	10,499,800	11,417,087	13,201,471	14,263,882	10,227,231
-	-	-	1,200	-	-
<u>\$ 710,341,012</u>	<u>\$ 729,228,169</u>	<u>\$ 660,616,791</u>	<u>\$ 713,975,846</u>	<u>\$ 861,798,933</u>	<u>\$ 627,896,216</u>
0.0125000%	0.0125000%	0.0125000%	0.0125000%	0.0125000%	0.0125000%

CITY OF ROSENBERG, TEXAS

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
(UNAUDITED)**

LAST TEN FISCAL YEARS

<u>Fiscal Year Ended September 30,</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Personal Property</u>	<u>Less: Tax-Exempt Real Property</u>
2010	\$ 633,894,250	\$ 956,763,945	\$ 217,383,174	\$ 292,467,550
2011	641,654,835	916,094,036	236,920,483	309,195,554
2012	653,022,105	906,727,249	232,900,324	315,949,304
2013	679,387,315	957,903,509	247,958,051	341,872,159
2014	749,359,856	1,004,574,850	280,163,875	342,400,025
2015	792,288,805	1,048,609,929	288,757,261	345,917,083
2016	909,775,642	1,059,601,822	301,546,216	337,543,351
2017	1,026,346,467	1,331,364,289	288,805,245	447,394,435
2018	1,165,054,442	1,362,148,541	348,221,145	530,701,399
2019	1,299,128,613	1,382,895,685	390,188,821	571,037,012

Source: Tax assessor/collector's records.

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value.

Tax rates are per \$100 of assessed value.

TABLE 8

<u>Total Taxable Assessed Value (1)</u>	<u>Total Direct Tax Rate</u>
\$ 1,515,573,819	0.50000
1,485,473,800	0.50000
1,476,700,374	0.50000
1,543,376,716	0.51000
1,691,698,556	0.50000
1,783,738,912	0.49000
1,933,380,329	0.47000
2,199,121,566	0.47000
2,344,722,729	0.46200
2,501,176,107	0.43000

CITY OF ROSENBERG, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(UNAUDITED)

LAST TEN FISCAL YEARS

Tax Rates*		City Direct Rates			Overlapping Rates ⁽¹⁾			
Fiscal Year	Tax Year	Operating Tax Rate	Debt Service Rate	Total Tax Rate	Lamar CISD	Fort Bend County	Fort Bend Mud #94 MUD Rate	Overlapping Rate
2010	2009	0.23000	0.27000	0.50000	1.23765	0.49976	0.71000	2.94741
2011	2010	0.23500	0.27000	0.50500	1.36460	0.49976	0.77000	3.13936
2012	2011	0.24500	0.25500	0.50000	1.39005	0.49976	0.77000	3.15981
2013	2012	0.26000	0.25000	0.51000	1.39005	0.49976	0.77000	3.16981
2014	2013	0.26630	0.23370	0.50000	1.39005	0.49976	0.71000	3.09981
2015	2014	0.25858	0.23142	0.49000	1.39005	0.49476	0.66000	3.03481
2016	2015	0.21626	0.25374	0.47000	1.39005	0.48600	0.58000	2.92605
2017	2016	0.21434	0.25566	0.47000	1.39005	0.47400	0.50000	2.83405
2018	2017	0.27464	0.18736	0.46200	1.39005	0.46900	0.47000	2.79105
2019	2018	0.26909	0.16092	0.43000	1.39000	0.46400	0.44000	2.72400

Source: Tax Department records of the various taxing authorities.

* Per \$100 of assessed valuation

(1) Overlapping rates are those of local and county governments that apply within the City of Rosenberg. Not all overlapping rates apply to all City of Rosenberg property wonders (i.e., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographical boundaries of the special district).

TABLE 9

Overlapping Rates ⁽¹⁾					
Fort Bend Mud #167		Fort Bend Mud #144		Fort Bend Mud #148	
MUD Rate	Overlapping Rate	MUD Rate	Overlapping Rate	MUD Rate	Overlapping Rate
0.85000	3.08741	0.80000	3.03741	0.90000	3.13741
0.89000	3.25936	0.80000	3.16936	0.90000	3.26936
0.89000	3.27981	0.80000	3.18981	0.90000	3.28981
0.89000	3.28981	0.80000	3.19981	0.90000	3.29981
0.89000	3.27981	0.80000	3.18981	0.90000	3.28981
0.89000	3.26481	0.80000	3.17481	0.90000	3.27481
0.85000	3.19605	0.80000	3.14605	0.88000	3.22605
0.85000	3.18405	0.80000	3.13405	0.83000	3.16405
0.85000	3.17105	0.80000	3.12105	0.76000	3.08105
0.85000	3.13400	0.79000	3.07400	0.66000	2.94400

CITY OF ROSENBERG, TEXAS

TABLE 10

**PRINCIPAL PROPERTY TAXPAYERS
(UNAUDITED)**

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2019			2010		
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	
Brazos TC - Partnership A, LP	\$ 81,382,776	1	3.25%	\$ 58,098,030	1	3.83%
Brazos TC - South Partnership A, L	50,465,989	2	2.02%	-		- %
GSSW Brazos Ranch LLC	30,800,000	3	1.23%	-		- %
Dolce Living Rosenberg LLC	29,835,350	4	1.19%	-		- %
Aldi (Texas) LLC	19,851,170	5	0.79%	-		- %
Kroger Texas LP	17,827,770	6	0.71%	19,085,570	4	1.26%
Centerpoint Energy Electric	17,129,990	7	0.68%	12,441,170	8	0.82%
3101 Place Owner LLC	16,130,790	8	0.64%	-		- %
Williams Brothers Construction Co	15,863,680	9	0.63%	-		- %
RRR Apartments LTD	14,265,250	10	0.57%	-		- %
A-S Hwy 59-Reading Rd LP	-		- %	33,432,230	2	2.21%
Inland American Rosenberg Brazos	-		- %	20,034,790	3	1.32%
Brazos TC - South Partnership B, L	-		- %	17,807,970	5	1.17%
National Oilwell Downhole Tools	-		- %	16,848,070	6	1.11%
Rosenberg Venture LTD	-		- %	16,251,270	7	1.07%
Target Corporation	-		- %	9,705,190	9	0.64%
JC Penney Properties, Inc.	-		- %	9,257,000	10	0.61%
Subtotal	293,552,765		12%	212,961,290		13%
Other taxpayers	<u>2,207,623,342</u>		<u>88%</u>	<u>1,302,612,529</u>		<u>87%</u>
Total	<u>\$ 2,501,176,107</u>		<u>100%</u>	<u>\$ 1,515,573,819</u>		<u>100%</u>

Source: Fort Bend County Tax Assessor/Collector's Office

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CITY OF ROSENBERG, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS
(UNAUDITED)

LAST TEN FISCAL YEARS

Fiscal Year	Tax Rate	Total Tax Levy and Adjustment	Collected Within Fiscal Year of the Levy		Collections in Subsequent Years
			Amount	Percentage of Levy	
2010	0.50000	\$ 7,538,276	\$ 7,431,901	98.59%	\$ 93,300
2011	0.50000	7,416,761	7,308,431	98.54%	95,642
2012	0.50000	7,379,326	7,317,653	99.16%	50,833
2013	0.51000	7,880,093	7,794,028	98.91%	78,972
2014	0.50000	8,483,475	8,387,692	98.87%	86,562
2015	0.49000	8,949,721	8,848,290	98.87%	82,606
2016	0.47000	9,523,936	9,452,428	99.25%	54,694
2017	0.47000	10,583,665	10,499,723	99.21%	57,721
2018	0.46200	10,937,849	10,853,779	99.23%	36,923
2019	0.43000	10,789,321	10,690,573	99.08%	-

Source: Tax assessor/collector's records.

TABLE 11

<u>Total Collections to Date</u>			
<u>Amount</u>	<u>Percentage of Levy</u>		<u>Balance</u>
\$ 7,525,201	99.83%	\$(	13,075)
7,404,073	99.83%	(	12,687)
7,368,486	99.85%	(	10,840)
7,873,000	99.91%	(	7,094)
8,474,254	99.89%	(	9,222)
8,930,895	99.79%	(	18,825)
9,507,121	99.82%	(	16,815)
10,557,444	99.75%	(	26,221)
10,890,703	99.57%	(	47,146)
10,690,573	99.08%	(	98,748)

CITY OF ROSENBERG, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE
(UNAUDITED)

LAST TEN FISCAL YEARS

Fiscal Year Ended	Governmental Activities				
	General Obligation Bonds	Certificates of Obligation	Notes Payable	Tax Anticipation Notes	Bond Issuance Premiums
2010	\$ 17,130,000	\$ 26,810,000	\$ 1,080,558	\$ 1,365,000	\$ 433,381
2011	19,260,000	31,310,000	880,902	1,085,000	619,512
2012	16,890,000	38,435,000	675,009	790,000	575,279
2013	16,360,000	45,745,000	462,595	480,000	758,689
2014	15,860,000	48,380,000	305,956	160,000	830,550
2015	13,975,000	48,660,000	156,922	-	921,760
2016	12,050,000	55,265,000	-	-	1,054,554
2017	15,460,000	55,595,000	-	-	1,613,624
2018	18,725,000	56,425,000	-	-	1,999,347
2019	14,825,000	52,060,000	-	-	1,636,091

*See the Schedule of Demographic and Economic Statistics (Table 18) for personal income and population data.

TABLE 12

Business-type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
Revenue Bonds	Capital Leases	Notes Payable			
\$ 8,437,811	\$ -	\$ -	\$ 55,256,750	10.67%	1,791
7,753,993			60,909,407	11.74%	1,969
1,614,000	1,483,394	4,065,987	64,528,669	9.52%	2,015
334,000	1,470,997	3,529,016	69,140,297	9.76%	2,091
314,000	1,421,834	2,976,029	70,248,369	9.79%	2,058
294,000	1,343,434	2,406,433	67,757,549	8.40%	1,891
273,000	1,819,225	1,251,607	71,713,386	7.95%	1,914
252,000	1,215,771	1,154,959	75,291,354	8.69%	2,009
231,000	1,051,607	594,009	79,025,963	8.90%	2,003
210,000	944,544	-	69,675,635	7.37%	1,736

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
(UNAUDITED)

LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Bond Issuance Premiums	Less Amounts Available in Debt Service Fund	General Bonded Debt Total	Percentage of Actual Taxable Value of Property	Per Capita
2010	\$ 17,130,000	\$ 26,810,000	\$ 433,381	\$ 5,492,418	\$ 38,880,963	2.57%	1,270
2011	19,260,000	31,310,000	619,512	5,062,930	46,126,582	3.11%	1,507
2012	16,890,000	38,435,000	575,279	5,170,780	50,729,499	3.44%	1,584
2013	16,360,000	45,745,000	758,689	4,990,181	57,873,508	3.75%	1,750
2014	15,860,000	48,380,000	830,550	4,976,742	60,093,808	3.55%	1,761
2015	13,975,000	48,660,000	921,760	5,014,535	58,542,225	3.28%	1,634
2016	12,050,000	55,265,000	1,054,554	5,028,226	63,341,328	3.28%	1,690
2017	15,460,000	55,595,000	1,613,624	5,681,677	66,986,947	3.05%	1,787
2018	18,725,000	56,425,000	1,999,347	5,900,145	71,249,202	3.04%	1,806
2019	14,825,000	52,060,000	1,636,091	5,839,495	62,681,596	2.51%	1,562

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
(UNAUDITED)

AS OF SEPTEMBER 30, 2019

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Fort Bend County	595,399,527	3.33%	\$ 19,826,804
Fort Bend MUD No. 94	4,180,000	100.00%	4,180,000
Fort Bend MUD No. 144	23,635,000	100.00%	23,635,000
Fort Bend MUD No. 147	4,965,000	100.00%	4,965,000
Fort Bend MUD No. 148	5,910,000	100.00%	5,910,000
Fort Bend MUD No. 152	19,190,000	0.42%	80,598
Fort Bend MUD No. 159	4,425,000	100.00%	4,425,000
Fort Bend MUD No. 167	28,715,000	100.00%	28,715,000
Lamar CISD	1,039,230,000	15.70%	<u>163,159,110</u>
Subtotal overlapping debt			254,896,512
City direct debt			<u>68,521,091</u>
Total direct and overlapping debt			<u>\$ 323,417,603</u>

Source: Municipal Advisory Council of Texas

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt of each overlapping government.

- (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable assessed value that is within the City's boundaries and dividing it by the overlapping government's total taxable assessed value.

CITY OF ROSENBERG, TEXAS

LEGAL DEBT MARGIN INFORMATION
(UNAUDITED)

LAST TEN FISCAL YEARS

	Fiscal Year			
	2010	2011	2012	2013
Debt limit	\$ 151,557,382	\$ 148,547,380	\$ 154,515,089	\$ 166,597,038
Total net debt applicable to limit	<u>39,812,582</u>	<u>46,592,070</u>	<u>50,944,220</u>	<u>57,594,819</u>
Legal debt margin	<u>\$ 111,744,800</u>	<u>\$ 101,955,310</u>	<u>\$ 103,570,869</u>	<u>\$ 109,002,219</u>
Total net debt applicable to the limit as a percentage of debt limit	26.27%	31.37%	32.97%	34.57%
Legal debt margin calculation by fiscal year				
Assessed value	\$ 1,515,573,819	\$ 1,485,473,800	\$ 1,545,150,888	\$ 1,665,970,375
Debt limit (10% of assessed value)	151,557,382	148,547,380	154,515,089	166,597,038
Debt applicable to limit:				
General obligation bonds	45,305,000	51,655,000	56,115,000	62,585,000
Less: amount set aside for repayment of general obligation debt	<u>(5,492,418)</u>	<u>(5,062,930)</u>	<u>(5,170,780)</u>	<u>(4,990,181)</u>
Total net debt applicable to limit	<u>39,812,582</u>	<u>46,592,070</u>	<u>50,944,220</u>	<u>57,594,819</u>
Legal debt margin	<u>\$ 111,744,800</u>	<u>\$ 101,955,310</u>	<u>\$ 103,570,869</u>	<u>\$ 109,002,219</u>

Note: Under state finance law, the City of Rosenberg's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

TABLE 15

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ 181,299,013	\$ 189,615,990	\$ 203,925,239	\$ 219,912,157	\$ 234,472,273	\$ 250,117,611	
<u>59,737,258</u>	<u>58,858,229</u>	<u>62,286,774</u>	<u>65,562,263</u>	<u>69,467,435</u>	<u>62,681,596</u>	
\$ <u>121,561,755</u>	\$ <u>130,757,760</u>	\$ <u>141,638,464</u>	\$ <u>154,349,894</u>	\$ <u>165,004,838</u>	\$ <u>187,436,015</u>	
32.95%	31.04%	30.54%	29.81%	29.63%	25.06%	
\$ 1,812,990,131	\$ 1,896,159,898	\$ 2,039,252,388	\$ 2,199,121,566	\$ 2,344,722,729	\$ 2,501,176,107	
181,299,013	189,615,990	203,925,239	219,912,157	234,472,273	250,117,611	
64,714,000	63,850,760	67,315,000	71,055,000	75,149,112	68,521,091	
(4,976,742)	(4,992,531)	(5,028,226)	(5,492,737)	(5,681,677)	(5,839,495)	
<u>59,737,258</u>	<u>58,858,229</u>	<u>62,286,774</u>	<u>65,562,263</u>	<u>69,467,435</u>	<u>62,681,596</u>	
\$ <u>121,561,755</u>	\$ <u>130,757,760</u>	\$ <u>141,638,464</u>	\$ <u>154,349,894</u>	\$ <u>165,004,838</u>	\$ <u>187,436,015</u>	

CITY OF ROSENBERG, TEXAS

TABLE 16

**DEBT SERVICE FUND PROJECTIONS FOR FISCAL YEAR 2020
(UNAUDITED)**

SEPTEMBER 30, 2019

Tax Obligation Debt Service Requirements, FY2020		\$ 8,395,684
Debt Service Fund, 09/30/19	\$ 5,856,536	
Debt Service Fund Tax Levy @ 96% Collection	4,312,358	
Estimated Prior Year Delinquent Taxes	35,000	
Estimated Transfer from Water/Wastewater Fund	2,378,911	
Estimated Transfer from Rosenberg Development Corporation	735,860	
Estimated Transfer from Civic Center Fund	63,005	
Estimated Transfer from Subsidence Fund	305,550	
Estimated Investment Income	<u>75,000</u>	13,762,220
Estimated Debt Service Fund Balance, 09/30/2020		5,366,536
General Obligation and/or Revenue Bonds Authorized but unissued for 2019	None	
Floating Debt Outstanding for 2019	None	

CITY OF ROSENBERG, TEXAS

TABLE 17

**COMPUTATION OF SELF-SUPPORTING DEBT
(UNAUDITED)**

SEPTEMBER 30, 2019

WATERWORKS AND SEWER SYSTEM

Net system revenue available 09/30/19	\$ 9,948,790
Less: 2019 requirements for revenue bonds	<u>21,000</u>
Balance available for other purposes	<u>\$ 9,927,790</u>
Debt service coverage ratio	3.70
2020 requirements for system tax or general obligation bonds (1)	2,684,461
Percentage of system general obligation bonds self-supporting	100%

ROSENBERG DEVELOPMENT CORPORATION

Net system revenue available 09/30/19	\$ 1,689,216
Less: 2019 requirements for revenue bonds	<u>1,128,562</u>
Balance available for other purposes	<u>\$ 560,654</u>
2020 requirements for general obligation bonds paid by the Corporation (1)	735,860
Percentage of system general obligation bonds self-supporting	100%

(1) It is the City's current policy to provide these payments from respective system revenues; however, these revenues are not pledged to the payment of this debt. The City's policy to make debt service payments from these revenues is subject to change in the future.

CITY OF ROSENBERG, TEXAS

TABLE 18

DEMOGRAPHIC AND ECONOMIC STATISTICS
(UNAUDITED)

LAST TEN CALENDAR YEARS

<u>Fiscal Year Ended September 30,</u>	<u>Population⁽¹⁾</u>	<u>Personal Income</u>	<u>Per Capita Personal Income⁽²⁾</u>	<u>Median Age⁽²⁾</u>	<u>School Enrollment⁽³⁾</u>	<u>Unemployment Rate</u>
2010	30,618	\$ 513,722,725	\$ 16,778	32.5	24,648	7.7%
2011	30,618	570,872,610	18,645	32.9	25,263	8.1%
2012	32,018	613,656,988	19,166	31.9	26,104	6.4%
2013	33,070	649,097,960	19,628	31.5	27,186	6.2%
2014	34,127	664,145,547	19,461	30.0	28,482	4.4%
2015	35,829	806,367,474	22,506	32.0	29,786	4.1%
2016	37,476	843,434,856	22,506	32.0	30,891	5.0%
2017	38,500	866,481,000	22,506	32.0	32,391	4.0%
2018	39,447	887,794,182	22,506	32.0	33,641	3.9%
2019	40,140	945,899,100	23,565	32.0	35,391	3.4%

Sources: (1: Internal City Estimates
(2: Bureau of the Census/ESRI Profile
(3: Lamar Consolidated Independent School District

CITY OF ROSENBERG, TEXAS

TABLE 19

**PRINCIPAL EMPLOYERS
(UNAUDITED)**

CURRENT AND NINE YEARS AGO

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lamar Consolidated ISD	5,404	1	29.28%	3,083	1	21.74%
Frito Lay, Inc.	600	2	3.25%	468	2	3.30%
Texana Center	500	3	2.71%	-		- %
Fort Bend County Offices - Annex	350	4	1.90%	164	6	1.16%
City of Rosenberg	302	5	1.64%	237	3	1.67%
Benedittini Cabinetry	302	6	1.64%	150	8	1.06%
Kroger	285	7	1.54%	-		- %
Si Environmental	186	8	1.01%	-		- %
Biotics Research Corporation	175	9	0.95%	140	9	0.99%
Aldi	165	10	0.89%	-		- %
Allied Concrete	-		- %	200	4	1.41%
Academy	-		- %	165	5	1.16%
Southwestern Bell/AT&T	-		- %	153	7	1.08%
JC Penney	-		- %	130	10	0.92%
Total	8,269		44.80%	4,890		34.49%

Source: City of Rosenberg Economic Development

CITY OF ROSENBERG, TEXAS

FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
(UNAUDITED)

LAST TEN FISCAL YEARS

Function/Program	Fulltime Equivalent Employees as of September 30,			
	2010	2011	2012	2013
General government	32	29	30	30
Public safety				
Police				
Officers	65	65	65	68
Civilians	23	21	21	23
Animal Control	2	2	2	2
Fire				
Firefighters	37	37	37	37
Civilians	2	2	2	2
Public works				
Streets and drainage	17	15	15	16
Building Maintenance	-	-	-	-
Fleet maintenance	4	4	4	4
Community Development				
Planning	4	3	3	3
Code Enforcement	9	7	7	7
Health	2	1	1	1
Communications	1	1	1	1
Parks & Recreation	15	12	11	10
Hotel/Motel	2	2	2	2
Civic Center	3	3	3	3
Water and Sewer	27	25	25	25
Total	<u>245</u>	<u>229</u>	<u>229</u>	<u>234</u>

Source: City personnel records

TABLE 20

Fulltime Equivalent Employees as of September 30,

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
30	33	33	34	34	34
74	75	76	82	82	88
22	25	28	28	28	28
3	3	3	4	4	5
49	52	52	52	52	59
2	2	2	2	2	2
16	18	18	19	19	19
-	-	-	2	2	2
4	4	5	5	5	5
3	4	5	5	5	5
8	8	8	8	9	9
1	2	2	2	2	2
1	3	-	-	-	-
11	10	10	9	9	9
0	-	1	1	1	1
5	5	4	3	3	5
<u>25</u>	<u>27</u>	<u>27</u>	<u>27</u>	<u>28</u>	<u>29</u>
<u>255</u>	<u>270</u>	<u>275</u>	<u>283</u>	<u>285</u>	<u>302</u>

CITY OF ROSENBERG, TEXAS

OPERATING INDICATORS BY FUNCTION
(UNAUDITED)

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2010	2011	2012	2013
Police				
Arrests	3,373	3,313	3,440	2,654
Accident reports	444.00	399.00	570.00	629.00
Citations	8,583.00	7,087.00	6,779.00	5,874.00
Offense reports	5,235	4,105	3,921	4,229
Calls for service	51,683	53,702	58,414	55,829
Fire				
Emergency responses	3,348	3,426	3,697	3,702
Fire incidents	127.00	69.00	197.00	239.00
Service calls and other calls	3,199.00	3,061.00	3,455.00	3,333.00
Automatic aid, mutual aid given	22	60	45	130
Water				
Average daily consumption (millions of gallons)	3.37	4.11	3.63	3.71
Total consumption (millions of gallons)	1,229.84	1,503.75	1,333.99	1,357.00
Peak daily consumption (millions of gallons)	5.16	7.14	6.46	5.83
Sewer				
Average daily sewage treatment (millions of gallons)	3.13	2.33	2.54	2.32
Total consumption (millions of gallons)	1,132.78	853.85	931.78	848.52
Peak daily consumption (millions of gallons)	16.94	6.21	10.21	7.64

Source: Various City departments

*Started reporting all fire incidents instead of just structure fire incidents

**Includes calls for all police, fire, animal control and other city departments dispatched

TABLE 21

Fiscal Year					
2014	2015	2016	2017	2018	2019
2,819	2,875	2,616	2,460	2,272	2,041
767.00	890.00	977.00	1,083.00	1,041.00	1,064.00
4,239.00	5,250.00	5,098.00	5,530.00	5,037.00	4,970.00
4,088	4,180	3,871	3,887	3,666	3,099
51,054	50,843	45,907	52,738	53,253	**61,010
3,792	3,602	4,506	5,076	5,131	5,371
141.00	149.00	*1370.00	1,507.00	1,767.00	1,617.00
3,651.00	3,453.00	3,036.00	3,419.00	3,207.00	3,754.00
152	83	153	150	157	156
3.69	3.87	3.94	4.09	4.30	5.90
1,353.24	1,411.00	1,438.00	1,493.00	1,680.30	2,170.00
6.65	8.2	8.60	6.90	11.20	7.98
2.83	2.82	3.01	3.23	2.90	3.36
867.35	1029.00	1,098.00	1,179.00	1,070.00	1,228.75
8.42	11.47	9.63	25.17	23.00	19.00

**WATER AND SEWER RATES
(UNAUDITED)**

SEPTEMBER 30, 2019

WATER RATES

Rates for Single-Family Residence are as follows:

First 2,000 gallons	\$10.28 minimum
2,000 - 10,000 gallons	\$2.50 per 1,000 gallons
10,000 - 20,000 gallons	\$2.70 per 1,000 gallons
20,000 - 50,000 gallons	\$2.80 per 1,000 gallons
over 50,000 gallons	\$2.90 per 1,000 gallons

Rates for Commercial/Industrial users are as follows:

<u>Minimum Monthly Billing</u>	<u>Includes up to 2,000 gallons</u>
3/4" Meter	\$10.28
1" Meter	\$30.85
1 1/2" Meter	\$45.00
2" Meter	\$55.00
3" Meter	\$100.00
4" Meter	\$200.00
6" Meter	\$300.00
8" Meter	\$450.00

All water usage over 2,000 gallons:

2,000 - 10,000 gallons	\$2.50 per 1,000 gallons
10,000 - 20,000 gallons	\$2.70 per 1,000 gallons
20,000 - 50,000 gallons	\$2.80 per 1,000 gallons
over 50,000 gallons	\$2.90 per 1,000 gallons

SUBSIDENCE FEE

For all water used the fee is \$2.20 per 1,000 gallons, in addition to the water rates.

SEWER RATES

Rates for Single-Family Residence are as follows:

First 2,000 gallons	\$15.00 minimum
2,000 - 12,000 gallons	\$3.10 per 1,000 gallons

Rates for Commercial/Industrial users are as follows:

<u>Minimum Monthly Billing</u>	<u>Includes up to 2,000 gallons</u>
3/4" Meter	\$15.00
1" Meter	\$30.00
1 1/2" Meter	\$45.00
2" Meter	\$55.00
3" Meter	\$120.00
4" Meter	\$195.00
6" Meter	\$375.00
8" Meter	\$600.00

All sewer used over 2,000 is charged \$3.10 per 1,000 gallons.

Rates were effective October 1, 2016

TOP TEN WATER AND SEWER CUSTOMERS
(UNAUDITED)

SEPTEMBER 30, 2019

TOP TEN WATER CUSTOMERS

<u>Rank</u>	<u>Customer</u>	<u>Type of Property</u>	<u>Consumption in Gallons</u>	<u>Revenue</u>
1	Reading Park Apartments	Apartments	14,617,400	\$ 45,822
2	Urban Brittany Square LP	Apartments	12,028,800	37,116
3	ADEF II 3101 Place LP	Apartments	11,936,400	38,048
4	Bluewave Car Wash	Commercial	11,010,800	32,423
5	Aldi Texas LLC	Commercial	10,338,900	32,215
6	Kings Arms Apartments	Apartments	9,237,600	27,821
7	Williams Brothers	Commercial	8,683,500	35,058
8	Westwood Village Apartments	Apartments	7,467,900	22,689
9	Seatex LLC	Industry	7,176,400	21,844
10	Bayou Bend Apartments	Apartments	6,753,900	20,618
TOTAL			<u>99,251,600</u>	<u>\$ 313,653</u>

TOP TEN SEWER CUSTOMERS

<u>Rank</u>	<u>Customer</u>	<u>Type of Property</u>	<u>Consumption in Gallons</u>	<u>Revenue</u>
1	Reading Park Apartments	Apartments	14,617,400	\$ 45,822
2	Urban Brittany Square LP	Apartments	12,028,800	37,116
3	ADEF II 3101 Place LP	Apartments	11,936,400	38,048
4	Bluewave Car Wash	Commercial	11,010,800	32,423
5	Aldi Texas LLC	Commercial	10,338,900	32,215
6	Kings Arms Apartments	Apartments	9,237,600	27,821
7	Westwood Village Apartments	Apartments	8,683,500	35,058
8	Bayou Bend Apartments	Apartments	7,467,900	22,689
9	Waterford at Summer Park	Apartments	6,386,200	22,063
10	Knights Inn	Commercial	6,095,900	21,163
TOTAL			<u>97,803,400</u>	<u>\$ 314,417</u>

CITY OF ROSENBERG, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2010	2011	2012	2013
Public safety				
Police				
Stations	1	1	1	1
Patrol units	47	47	47	46
Fire				
Stations	2	2	2	2
Public works				
Collection trucks	N/A	N/A	N/A	N/A
Streets (miles)	148	154	162	162
Parks and recreation				
Parks acreage	443	443	443	443
Parks	9	9	9	9
Water and sewer				
Water mains (miles)	158	160	160	160
Fire hydrants	1,137	1,111	1,135	1,187
Maximum daily capacity (thousands of gallons)	5,232	5,232	5,232	5,372
Sanitary sewers (miles)	140	142	142	143
Storm sewers (miles)	128	129	129	130
Maximum daily treatment capacity (thousands of gallons)	6,525	6,525	6,525	6,525

N/A - information not available.

Source: Various City departments

Note: No capital asset indicators are available for the general government function.

TABLE 24

Fiscal Year					
2014	2015	2016	2017	2018	2019
1 46	1 46	1 47	1 49	1 49	1 51
3	3	3	3	3	3
N/A 162	N/A 156	N/A 158	N/A 159	N/A 159	N/A 164
443 9	445 9	445 9	445 9	445 9	469 9
161 1,243 5,372	165 1,341 8,230	180 1,353 8,230	184 1,387 11,838	186 1,328 11,838	193 1,486 11,838
143 130	144 68	151 84	154 91	154 92	159 97
6,525	6,525	6,525	6,525	6,525	6,525

COMPLIANCE SECTION