

COMPREHENSIVE ANNUAL FINANCIAL REPORT



City of Rosenberg, Texas

Fiscal Year Ended September 30, 2020

Rosenberg
TEXAS



*COMPREHENSIVE
ANNUAL FINANCIAL REPORT*

of the

CITY OF ROSENBERG, TEXAS

**For the Year Ended
September 30, 2020**

Prepared by:

**John Maresh
City Manager**

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

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CITY OF ROSENBERG, TEXAS

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INTRODUCTORY SECTION

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March 8, 2021

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 City of Rosenberg's (the "City") Fiscal Year 2020 (FY2020) Comprehensive Annual Financial Report (CAFR) for the dates ranging from October 1, 2019 to September 30, 2020.

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. Belt Harris Pechacek, LLLP., has audited the City's FY2020 financial statements. The goal of an independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2020, are free from 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements are presented in conformity with generally accepted accounting principles (GAAP).

The City's Management's 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 (RDC), 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 and Sanitary Sewer Impact Fee Task Force, Main Street Advisory Board, and the Special Events Committee.

LOCAL ECONOMY

Although many of the short and long-term effects of the Coronavirus (COVID-19) are still unknown, Rosenberg's economy remained steady in 2020. Due to COVID-19 and much like the rest of the State of Texas, Rosenberg did not experience much job growth but sales tax remained steady when compared to FY2019. This can be attributed to commercial development and a Chapter 380 Economic Development Program Agreement with BMC Texas Sales.

A short-term effect of COVID-19 is the local unemployment rate in FY2020, which exhibited an overall upward trend compared to FY2019. The City's unemployment rate was 7.2%, which is slightly lower than the state rate of 8.3% and national rate of 7.9%. The average owner-occupied home value increased to \$162,883, up from \$103,151 in 2011.

The total number of permits issued for the year increased from FY2019 to FY2020, with a total of 302 residential certificates of occupancy issued. There were 172 commercial certificates of occupancy, 38 new commercial buildings, and 68 commercial additions/remodels issued in the 2020 fiscal year, demonstrating that leasing existing buildings and constructing new facilities are still growing trends.

Sales tax revenue remained steady for the City from FY2019 to FY2020. This trend has also remained steady during the first four (4) months of FY2021 and shows an increase of approximately fourteen (14%) percent when compared to FY2020.

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 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 automobiles.

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 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 coupled with a Chapter 380 agreement with BMC Texas Sales continues to impact trends for sales tax revenues.

The City’s net property tax valuations increased 5.9% from the previous year to an appraised value of just over \$2.8 billion in FY2021. The property tax base has expanded by about 91% since FY2012. The tax base is diverse, with the leading taxpayers accounting for only 13% of the appraised value.

As Fort Bend County builds out, Rosenberg continues to see momentous 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 two buildings completed and is nearing the threshold to implement Phase II infrastructure commitments;
- Assisting Dollar Tree Inc. with the grand opening of a 1.2M square foot, \$130M distribution center and which has added over five hundred (500) new full-time positions to the City’s workforce;
- Assisting Si Environmental with expanding operations facilities in the Rosenberg Business Park and creating at minimum twenty-five (25) new full-time positions;
- Recruiting Wet Sounds, Inc. for a 115,000 square foot headquarters, office and operations facility that will add forty (40) full-time primary jobs to the City;
- 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.

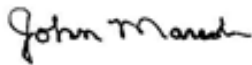
AWARDS AND ACKNOWLEDGEMENTS

This report has been prepared in accordance with guidelines established by the GFOA. The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2019. ***This was the 33rd 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 CAFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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 FY2020. 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

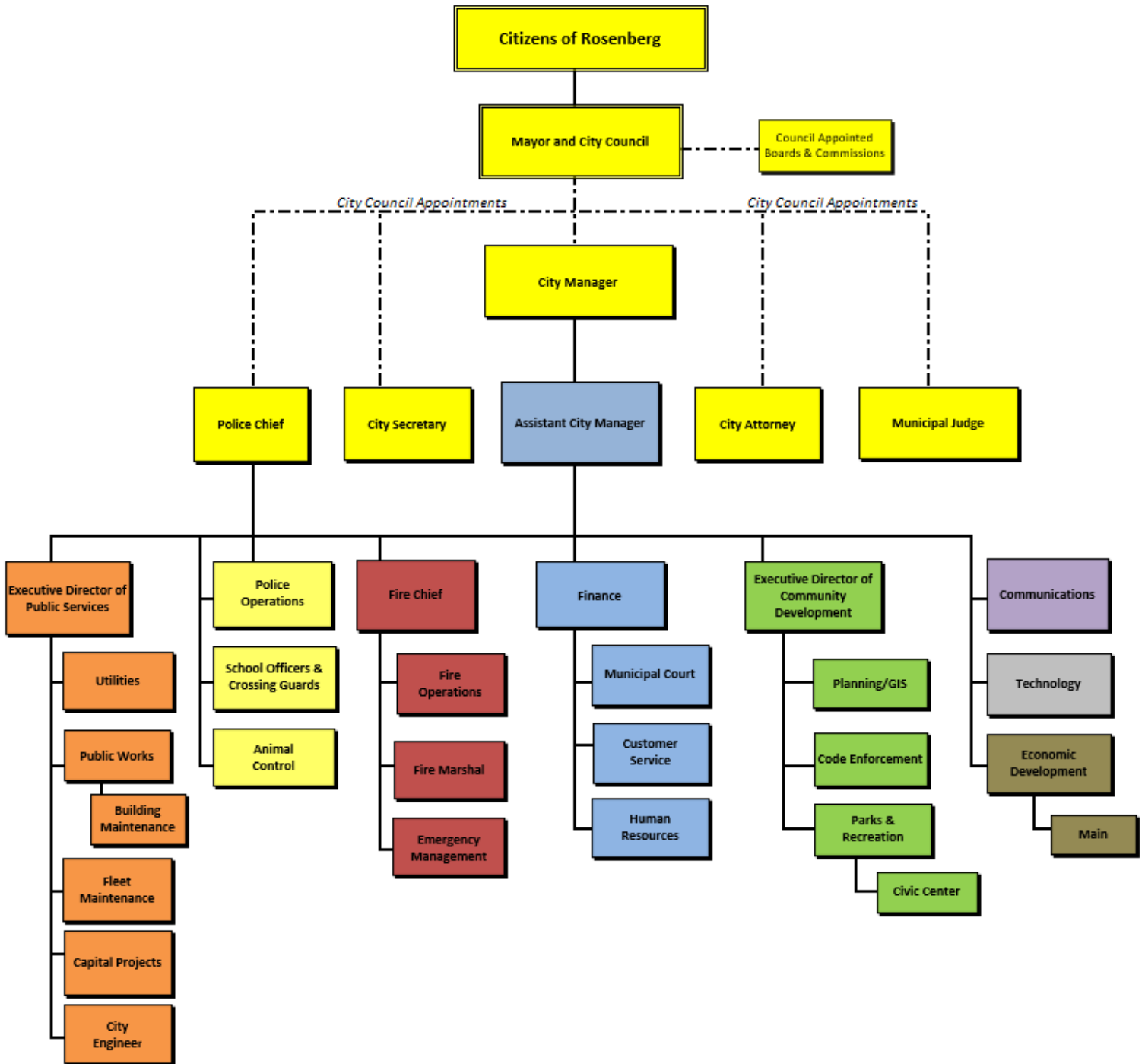


Joyce Vasut
Assistant City Manager/Director of Finance

CITY OF ROSENBERG, TEXAS

ORGANIZATIONAL CHART

September 30, 2020





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Rosenberg
Texas

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF ROSENBERG, TEXAS
PRINCIPAL OFFICIALS
 September 30, 2020

Elected Officials	Position	Term Expires
William Benton	Mayor	05/2021
Jacob Balderas	Councilor at Large, Position 1	05/2021
Kevin Raines	Councilor at Large, Position 2	05/2021
Isaac Davila	Councilor, District No. 1	05/2022
Steven DeGregorio	Councilor, District No. 2	05/2020*
Timothy Anders	Councilor, District No. 3	05/2022
Richard Olson	Councilor, District No. 4	05/2020*

Appointed Officials/Firm	Position
John Maresh	City Manager
Randle Law Firm	City Attorney
Jones & Carter	City Engineer
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
Jeremy Heath	Director of Economic Development
Ashley Williams	Director of Human Resources
Darren McCarthy	Director of Parks and Recreation
Doug Gorka	Director of Public Works
Shelton Besson	Director of Technology
Eddie De Leon	Director of Utilities
Rigo Calzoncin	Executive Director of Public Services
Travis Tanner	Executive Director of Community Development
Darrell Himly	Fire Chief

*Elections were moved from May to November 2020

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
City Council Members of the
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 (the "City"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's 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.

Auditors' 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 auditors' 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 City'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 City'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.

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 as of September 30, 2020, 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, schedules of changes in net pension and total other postemployment benefits liabilities and related ratios, and schedule of contributions, identified as Required Supplementary Information on the table of contents, 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's basic financial statements. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining 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 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 8, 2021 on our consideration of the City's 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 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's 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's internal control over financial reporting and compliance.

*B*ELT *H*ARRIS *P*ECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 8, 2021

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***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

The Statement of Activities presents information showing how the City's net position changed during the most recent 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 – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here including public safety, public works, economic development, sanitation services, and general administrative services. Interest payments on the City's debt are also reported here. Sales tax, property tax, franchise fees, municipal court fines, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water, wastewater, and civic center rentals.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate economic development corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of City funds are governmental and proprietary.

Governmental Funds

Governmental funds are used to account for essentially the same functions 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 year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 25 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, the Rosenberg Development Corporation (RDC) projects fund which are considered to be major funds for reporting purposes. Data from the other 22 governmental funds are combined into a single aggregated presentation.

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

The City adopts an annual appropriated budget for its general fund, debt service fund, and select special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary Funds

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and sanitation operations 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 replacement and information services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Notes to 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 are the last section of the basic financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund, schedules of changes in net pension and total other postemployment benefits liabilities and related ratios and schedule of contributions for the Texas Municipal Retirement System and retiree health care benefit plan. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$171,079,595 as of September 30, 2020. This compares with \$164,569,194 from the prior fiscal year. The largest portion of the City's net position, 75%, reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 60,951,362	\$ 66,228,897	\$ 30,885,307	\$ 29,954,569	\$ 91,836,669	\$ 96,183,466
Capital assets, net	110,811,767	109,543,212	75,375,648	70,134,889	186,187,415	179,678,101
Total Assets	171,763,129	175,772,109	106,260,955	100,089,458	278,024,084	275,861,567
Deferred outflows	7,106,878	4,832,002	646,375	433,912	7,753,253	5,265,914
Total Deferred Outflows of Resources	7,106,878	4,832,002	646,375	433,912	7,753,253	5,265,914
Long-term liabilities	98,414,487	102,870,378	4,213,744	4,235,787	102,628,231	107,106,165
Other liabilities	5,030,893	5,533,216	3,388,200	2,459,631	8,419,093	7,992,847
Total Liabilities	103,445,380	108,403,594	7,601,944	6,695,418	111,047,324	115,099,012
Deferred inflows	3,348,207	1,339,031	302,211	120,244	3,650,418	1,459,275
Total Deferred Inflows of Resources	3,348,207	1,339,031	302,211	120,244	3,650,418	1,459,275
Net Position:						
Net investment in capital assets	54,626,678	50,383,520	74,479,660	68,980,345	129,106,338	119,363,865
Restricted	20,375,159	23,769,902	-	-	20,375,159	23,769,902
Unrestricted	(2,925,417)	(3,291,936)	24,523,515	24,727,363	21,598,098	21,435,427
Total Net Position	\$ 72,076,420	\$ 70,861,486	\$ 99,003,175	\$ 93,707,708	\$ 171,079,595	\$ 164,569,194

A portion of the primary government's net position, \$20,375,159 or 12%, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$21,598,098 or 13%, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$6,510,401 as compared to the prior year. The total assets increased by \$2,162,517 mainly due to an increase in accounts receivables from sales tax and the Coronavirus Relief Fund grant, an operating surplus in the current year, and an increase in capital assets. Total deferred outflow of resources increased by \$2,487,339 mainly due to the pension and OPEB adjustments. Total liabilities decreased by \$4,051,688 mainly due to a cash defeasance, current year principal payments on debt, and a decrease in the net pension liability. These decreases were partially offset by an increase in the total OPEB liability. Total deferred inflows of resources increased by \$2,191,143 primarily due to the pension and OPEB adjustments.

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

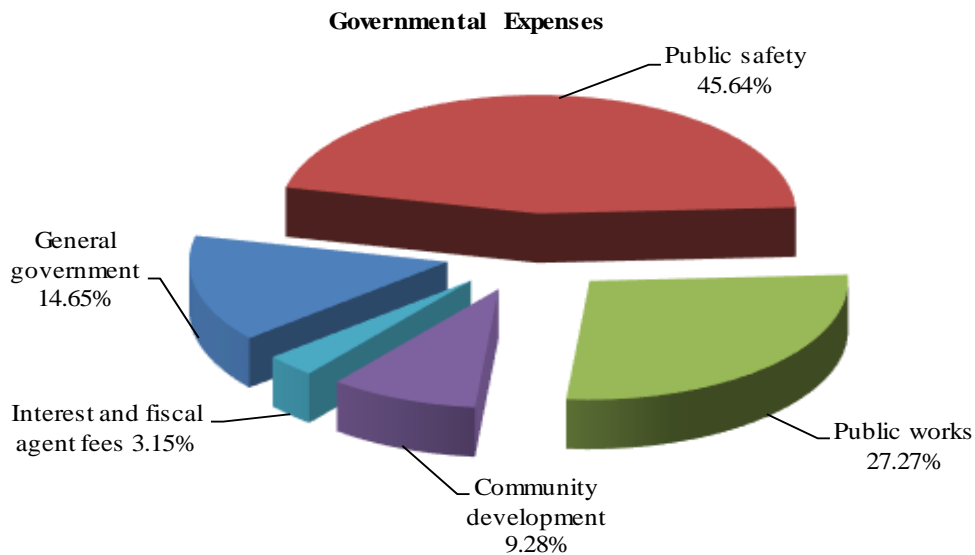
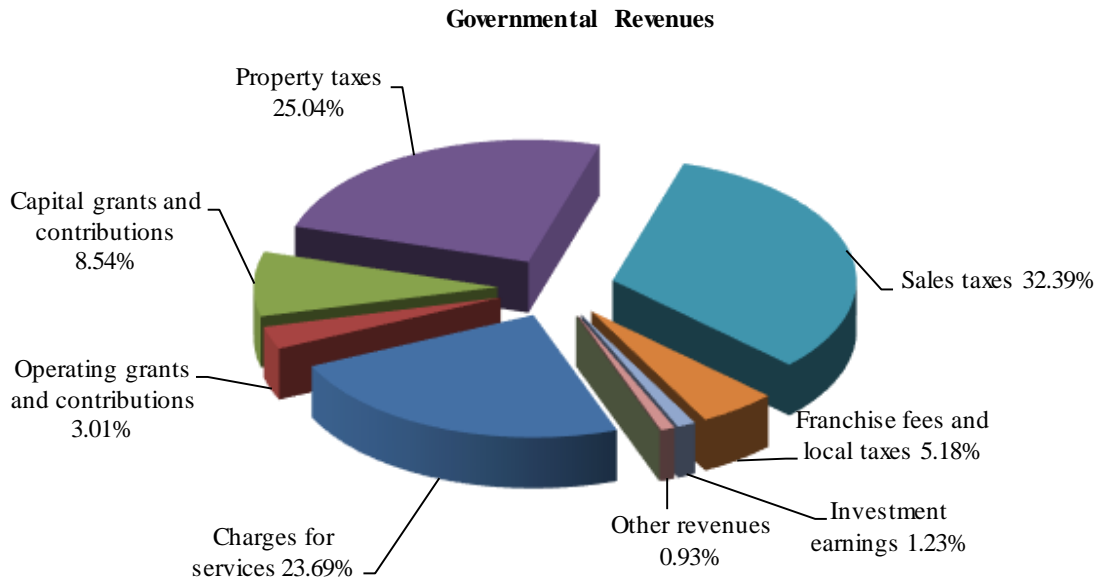
Statement of Activities

The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 10,753,138	\$ 10,221,416	\$ 17,295,996	\$ 18,662,455	\$ 28,049,134	\$ 28,883,871
Operating grants and contributions	1,366,547	742,504	462,325	1,336,750	1,828,872	2,079,254
Capital grants and contributions	3,876,159	9,532,748	-	-	3,876,159	9,532,748
General revenues:						
Property taxes	11,365,321	10,875,805	-	-	11,365,321	10,875,805
Sales taxes	14,701,582	14,646,152	-	-	14,701,582	14,646,152
Franchise fees and local taxes	2,352,183	1,997,165	-	-	2,352,183	1,997,165
Investment earnings	556,245	1,361,297	329,128	629,090	885,373	1,990,387
Other revenues	424,156	269,837	-	-	424,156	269,837
Total Revenues	<u>45,395,331</u>	<u>49,646,924</u>	<u>18,087,449</u>	<u>20,628,295</u>	<u>63,482,780</u>	<u>70,275,219</u>
Expenses						
General government	6,302,066	6,562,067	-	-	6,302,066	6,562,067
Public safety	19,633,193	21,781,177	-	-	19,633,193	21,781,177
Public works	11,731,795	11,988,077	-	-	11,731,795	11,988,077
Community development	3,992,827	3,878,243	-	-	3,992,827	3,878,243
Interest and fiscal agent fees	1,356,873	1,716,802	-	-	1,356,873	1,716,802
Utilities	-	-	13,614,540	13,586,594	13,614,540	13,586,594
Civic center rentals	-	-	341,085	222,330	341,085	222,330
Total Expenses	<u>43,016,754</u>	<u>45,926,366</u>	<u>13,955,625</u>	<u>13,808,924</u>	<u>56,972,379</u>	<u>59,735,290</u>
Excess of Revenues Over Expenses	2,378,577	3,720,558	4,131,824	6,819,371	6,510,401	10,539,929
Transfers	(1,163,643)	(1,630,552)	1,163,643	1,630,552	-	-
Change in Net Position	1,214,934	2,090,006	5,295,467	8,449,923	6,510,401	10,539,929
Beginning net position	70,861,486	68,771,480	93,707,708	85,257,785	164,569,194	154,029,265
Ending Net Position	<u>\$ 72,076,420</u>	<u>\$ 70,861,486</u>	<u>\$ 99,003,175</u>	<u>\$ 93,707,708</u>	<u>\$ 171,079,595</u>	<u>\$ 164,569,194</u>

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

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



For the year ended September 30, 2020, revenues from governmental activities totaled \$45,395,331, which is a decrease of \$4,251,593 from the prior year. This decrease is primarily related to a decrease in capital grants and contributions related to prior year contributions from the RDC and a decrease in investment earnings due to lower interest rates.

For the year ended September 30, 2020, expenses from governmental activities totaled \$43,016,754, which is a decrease of \$2,909,612 from the prior year. This change can be attributed to a prior year contribution to the RDC, a decrease in expenses related to the pensions and OPEB adjustments, as well as less interest expense.

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

Operating revenues for business-type activities totaled \$18,087,449 and decreased by \$2,540,846 from last year, mainly due to the decrease in charges for service because of a decrease in capital impact fee revenue from a new development in the prior year and a decrease in intergovernmental revenue due to a prior year RDC contribution of \$1,300,000. Operating expenses for business-type activities totaled \$13,955,625 and increased by \$146,701 primarily due to water purchases, contractual services, and repairs and maintenance expense during the year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

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, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

The City's governmental funds reflect a combined fund balance of \$47,581,080. Of this, \$81,875 is nonspendable, \$25,681,244 is restricted for various purposes, \$2,611,774 is committed for capital projects, and \$300,000 is assigned for contingencies. The remaining balance of \$18,906,187 is unassigned in the general fund.

There was a net decrease in the combined fund balance of \$4,804,312 compared to the prior year, primarily due to the cash defeasance and various capital projects.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$18,906,187, while total fund balance reached \$19,287,085. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 58% of total general fund expenditures, while total fund balance represents 60% of the same amount. The general fund demonstrated an overall increase of \$1,511,424. General fund revenues increased compared to the prior year due to an increase in sales tax revenue received from the State, an increase in solid waste revenues, and an increase in building permit revenues. General fund expenditures increased compared to the prior year largely due to an increase in personnel costs and solid waste collection costs.

The debt service fund has a total fund balance of \$5,386,169, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$470,367, which is due to the cash defeasance to pay off more debt.

The RDC Projects Fund has a fund balance of \$7,995,128. The net decrease in fund balance for the year was \$1,632,534 due to transfers out to the water and waste water fund for the infrastructures improvements related to new development.

Proprietary Funds – The City's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

There had been a planned decrease in budgeted fund balance in the amount of \$2,505,251 in the general fund. However, the net change in fund balance was an increase of \$1,511,424, resulting in a positive variance of \$4,016,675 from budgeted as amended over actual. This was largely due to lower than anticipated expenditures across all functions.

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

Actual general fund revenues were more than original and amended budgeted revenues by \$819,182 during 2020. This variance is primarily due to more intergovernmental revenue than originally anticipated, as well as more sales taxes and licenses and permits fees than originally anticipated.

Actual expenditures were less than original and amended budgeted expenditures by \$3,922,390 during 2020. This variance is primarily due to less than expected capital outlay expenditures, police, and streets and drainage.

CAPITAL ASSETS

At the end of the current year, the City's governmental and business-type activities had invested \$110,811,767 and \$75,375,648 respectively, in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$1,268,555 for governmental activities and a net increase of \$5,240,759 for business-type activities.

Major capital asset events during the current year include the following:

- Dollar Tree infrastructure project for \$3,943,548
- Sanitary sewer pipe bursting – Phase III for \$2,390,174
- Spacek Road – Phase III for \$1,840,368
- Bryan Road project for \$831,166
- Downtown parking lot – Phase II for \$601,460
- Avenue G connector for \$542,438
- Generator at wastewater treatment plant for \$378,311
- CDBG Candler road project for \$342,448
- Airport Avenue project for \$272,747

More detailed information about the City's capital assets is presented in note III.C of the financial statements.

LONG-TERM DEBT

At the end of the current year, the City had total general obligation bonds outstanding of \$17,725,000 and certificates of obligation bonds outstanding of \$41,915,000 for the governmental activities; Business-type activities had revenue bonds outstanding of \$189,000 and capital leases outstanding of \$706,988. The current year total combined debt is \$60,535,988 compared to \$68,039,544 in the prior year.

More detailed information about the City's long-term liabilities is presented in note III.D of the financial statements.

Current underlying ratings on debt issues are as follows:

Debt Type	Standard and Poor's
General obligation bonds	AA-
Certificates of obligation	AA-

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

City Council approved the fiscal year 2021 budget in September 2020, with total revenues of \$72,561,595 and total expenditures of \$82,483,420. The City's adopted tax rate for fiscal year 2021 of \$0.400 per \$100 of taxable valuation is less than the fiscal year 2020 tax rate of \$0.415 per \$100.

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2020

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

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CITY OF ROSENBERG, TEXAS

STATEMENT OF NET POSITION

September 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<u>Assets</u>				
Cash and cash equivalents	\$ 53,326,532	\$ 13,169,130	\$ 66,495,662	\$ 2,599,341
Receivables, net of allowances	5,654,010	2,385,815	8,039,825	933,266
Receivable from component unit	1,866,278	-	1,866,278	-
Inventory	8,468	-	8,468	-
Prepays and other assets	96,074	327,570	423,644	-
Restricted assets:				
Temporarily restricted cash and cash equivalents	-	15,002,792	15,002,792	-
	60,951,362	30,885,307	91,836,669	3,532,607
Capital assets:				
Nondepreciable capital assets	8,256,318	6,205,713	14,462,031	-
Depreciable capital assets, net	102,555,449	69,169,935	171,725,384	-
	110,811,767	75,375,648	186,187,415	-
Total Assets	171,763,129	106,260,955	278,024,084	3,532,607
<u>Deferred Outflows of Resources</u>				
Deferred charge on refunding	121,988	-	121,988	-
Deferred outflows - pensions	2,714,641	243,699	2,958,340	-
Deferred outflows - OPEB - SDBF	140,245	12,593	152,838	-
Deferred outflows - OPEB - retiree health	4,130,004	390,083	4,520,087	-
Total Deferred Outflows of Resources	7,106,878	646,375	7,753,253	-
<u>Liabilities</u>				
Accounts payable and accrued liabilities	4,893,309	3,382,136	8,275,445	677,454
Accrued bond interest	137,584	6,064	143,648	-
Noncurrent liabilities:				
Portion due within one year	4,274,752	472,227	4,746,979	587,046
Portion due in more than one year	94,139,735	3,741,517	97,881,252	1,279,232
Total Liabilities	103,445,380	7,601,944	111,047,324	2,543,732
<u>Deferred Inflows of Resources</u>				
Deferred inflows - pensions	2,390,986	214,579	2,605,565	-
Deferred inflows - OPEB - SDBF	55,054	4,943	59,997	-
Deferred inflows - OPEB - retiree health	902,167	82,689	984,856	-
Total Deferred Inflows of Resources	3,348,207	302,211	3,650,418	-
<u>Net Position</u>				
Net investment in capital assets	54,626,678	74,479,660	129,106,338	-
Restricted for:				
Debt service	5,386,169	-	5,386,169	-
Public safety	1,702,680	-	1,702,680	-
Parks	880,412	-	880,412	-
Tourism	935,916	-	935,916	-
Governmental programming	310,086	-	310,086	-
Capital projects	3,164,768	-	3,164,768	-
Community development	7,995,128	-	7,995,128	-
Unrestricted	(2,925,417)	24,523,515	21,598,098	988,875
Total Net Position	\$ 72,076,420	\$ 99,003,175	\$ 171,079,595	\$ 988,875

See Notes to Financial Statements.

CITY OF ROSENBERG, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 6,302,066	\$ 907,948	\$ 989,384	\$ -
Public safety	19,633,193	3,706,558	377,163	273,937
Public works	11,731,795	6,129,357	-	3,602,222
Community development	3,992,827	9,275	-	-
Interest and fiscal agent fees	1,356,873	-	-	-
Total Governmental Activities	43,016,754	10,753,138	1,366,547	3,876,159
Business-Type Activities				
Water and wastewater	13,614,540	17,261,184	459,708	-
Civic center rentals	341,085	34,812	2,617	-
Total Business-Type Activities	13,955,625	17,295,996	462,325	-
Total Primary Government	\$ 56,972,379	\$ 28,049,134	\$ 1,828,872	\$ 3,876,159
Component Unit				
Rosenberg Development Corporation	\$ 3,090,597	\$ -	\$ -	\$ -
Total Component Unit	\$ 3,090,597	\$ -	\$ -	\$ -

General Revenues:

- Property taxes
- Sales taxes
- Franchise fees and local taxes
- Hotel occupancy tax
- Investment revenue
- Other revenues
- Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
\$ (4,404,734)	\$ -	\$ (4,404,734)	\$ -
(15,275,535)	-	(15,275,535)	-
(2,000,216)	-	(2,000,216)	-
(3,983,552)	-	(3,983,552)	-
(1,356,873)	-	(1,356,873)	-
<u>(27,020,910)</u>	<u>-</u>	<u>(27,020,910)</u>	<u>-</u>
-	4,106,352	4,106,352	-
<u>-</u>	<u>(303,656)</u>	<u>(303,656)</u>	<u>-</u>
-	3,802,696	3,802,696	-
<u>(27,020,910)</u>	<u>3,802,696</u>	<u>(23,218,214)</u>	<u>-</u>
-	-	-	(3,090,597)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,090,597)</u>
11,365,321	-	11,365,321	-
14,701,582	-	14,701,582	4,714,100
1,929,747	-	1,929,747	-
422,436	-	422,436	-
556,245	329,128	885,373	26,333
424,156	-	424,156	121,897
(1,163,643)	1,163,643	-	-
<u>28,235,844</u>	<u>1,492,771</u>	<u>29,728,615</u>	<u>4,862,330</u>
1,214,934	5,295,467	6,510,401	1,771,733
<u>70,861,486</u>	<u>93,707,708</u>	<u>164,569,194</u>	<u>(782,858)</u>
<u>\$ 72,076,420</u>	<u>\$ 99,003,175</u>	<u>\$ 171,079,595</u>	<u>\$ 988,875</u>

CITY OF ROSENBERG, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2020

	General	Debt Service	RDC Projects	Nonmajor Governmental
<u>Assets</u>				
Cash and cash equivalents	\$ 18,044,192	\$ 5,395,196	\$ 8,424,818	\$ 15,181,988
Receivables, net	4,870,118	185,765	-	595,333
Due from component unit	-	1,866,278	-	-
Prepaid items	72,430	-	-	977
Inventory	8,468	-	-	-
Total Assets	\$ 22,995,208	\$ 7,447,239	\$ 8,424,818	\$ 15,778,298
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 3,402,264	\$ 23,050	\$ 429,690	\$ 865,600
Due to other governments	96,481	-	-	-
Total Liabilities	3,498,745	23,050	429,690	865,600
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	208,832	171,742	-	-
Unavailable revenue - court fines	546	-	-	-
Receivable from component unit	-	1,866,278	-	-
Total Deferred Inflows of Resources	209,378	2,038,020	-	-
<u>Fund Balances</u>				
Nonspendable:				
Inventories	8,468	-	-	-
Prepays	72,430	-	-	977
Restricted for:				
Debt service	-	5,386,169	-	-
Public safety	-	-	-	1,702,680
Parks	-	-	-	880,412
Tourism	-	-	-	935,916
Governmental programming	-	-	-	310,086
Capital projects	-	-	-	8,470,853
Community development	-	-	7,995,128	-
Committed for:				
Capital projects	-	-	-	2,611,774
Assigned	300,000	-	-	-
Unassigned	18,906,187	-	-	-
Total Fund Balances	19,287,085	5,386,169	7,995,128	14,912,698
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 22,995,208	\$ 7,447,239	\$ 8,424,818	\$ 15,778,298

See Notes to Financial Statements.

**Total
Funds**

\$ 47,046,194
5,651,216
1,866,278
73,407
8,468
\$ 54,645,563

\$ 4,720,604
96,481
4,817,085

380,574
546
1,866,278
2,247,398

8,468
73,407

5,386,169
1,702,680
880,412
935,916
310,086
8,470,853
7,995,128

2,611,774
300,000
18,906,187
47,581,080

\$ 54,645,563

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CITY OF ROSENBERG, TEXAS
RECONCILIATION OF THE GOVERNMENTAL
FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
September 30, 2020

Total fund balances - governmental funds \$ 47,581,080

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Capital assets, nondepreciable	8,256,318
Capital assets, depreciable	162,234,949
Accumulated depreciation	(61,096,076)

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.

Unavailable revenue - property taxes	380,574
Unavailable revenue - court fines	546
Receivable from component unit	1,866,278

Internal service funds are used by management to charge the costs of certain capital assets and maintenance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.

7,646,151

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Accrued interest payable	(137,584)
Deferred charge on refunding	121,988
Deferred outflows - pensions	2,714,641
Deferred inflows - pensions	(2,390,986)
Deferred outflows - OPEB - SDBF	140,245
Deferred inflows - OPEB - SDBF	(55,054)
Deferred outflows - OPEB - retiree health	4,130,004
Deferred inflows - OPEB - retiree health	(902,167)
Noncurrent liabilities due in one year	(4,274,752)
Noncurrent liabilities due in more than one year	(94,139,735)

Net Position of Governmental Activities	\$ 72,076,420
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See Notes to Financial Statements.

CITY OF ROSENBERG, TEXAS

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

For the Year Ended September 30, 2020

	General	Debt Service	RDC Projects	Nonmajor Governmental
Revenues				
Property taxes	\$ 6,932,397	\$ 4,386,844	\$ -	\$ -
Sales taxes	14,701,582	-	-	-
Franchise fees and local taxes	1,874,129	-	-	55,618
Hotel occupancy tax	-	-	-	422,436
Licenses and permits	1,061,522	-	-	-
Fines and forfeitures	513,516	-	-	99,776
Charges for services	5,586,027	-	-	-
Intergovernmental	2,924,458	735,860	2,508,398	2,632,031
Investment revenue	197,224	69,542	114,783	174,696
Other revenue	226,707	-	-	142,738
Total Revenues	34,017,562	5,192,246	2,623,181	3,527,295
Expenditures				
Current:				
General government	4,823,488	-	-	510,122
Public safety	17,097,006	-	-	1,692,709
Public works	7,507,476	-	-	-
Community development	2,584,924	-	10,000	158,199
Capital outlay	308,373	-	1,860,644	4,092,644
Debt service:				
Principal	-	6,535,000	-	-
Interest and fiscal agent fees	-	1,720,517	-	-
Bond issuance costs	-	126,464	-	-
Total Expenditures	32,321,267	8,381,981	1,870,644	6,453,674
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,696,295	(3,189,735)	752,537	(2,926,379)
Other Financing Sources (Uses)				
Refunding bonds issued	-	7,075,000	-	-
Premium on refunding bonds	-	827,640	-	-
Payment to refunding bonds escrow agent	-	(7,930,738)	-	-
Insurance proceeds	54,711	-	-	-
Transfers in	1,898,940	2,747,466	-	3,469,176
Transfers (out)	(2,138,522)	-	(2,385,071)	(4,755,632)
Total Other Financing Sources (Uses)	(184,871)	2,719,368	(2,385,071)	(1,286,456)
Net Change in Fund Balances	1,511,424	(470,367)	(1,632,534)	(4,212,835)
Beginning fund balances	17,775,661	5,856,536	9,627,662	19,125,533
Ending Fund Balances	\$ 19,287,085	\$ 5,386,169	\$ 7,995,128	\$ 14,912,698

See Notes to Financial Statements.

**Total
Funds**

\$ 11,319,241
14,701,582
1,929,747
422,436
1,061,522
613,292
5,586,027
8,800,747
556,245
369,445

45,360,284

5,333,610
18,789,715
7,507,476
2,753,123
6,261,661

6,535,000
1,720,517
126,464

49,027,566

(3,667,282)

7,075,000
827,640

(7,930,738)
54,711
8,115,582
(9,279,225)

(1,137,030)

(4,804,312)

52,385,392

\$ 47,581,080

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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 Year Ended September 30, 2020

Net changes in fund balances - total governmental funds \$ (4,804,312)

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 and reported as depreciation expense.

Capital outlay	5,514,414
Depreciation expense	(3,913,375)

The issuance of long-term debt (e.g., bonds, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Net Position.

Principal payments	6,535,000
Bonds defeased	7,785,000
Amortization of premium	(337,071)
Debt issued	(7,075,000)
Amortization of deferred charges	121,988
Accrued interest	23,289

Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds. (803,621)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(176,104)
Net pension liability	3,592,441
Total OPEB liability - SDBF	(153,257)
Total OPEB liability - retiree health	(5,715,118)
Change in deferred outflows - pensions	827,321
Change in deferred inflows - pensions	(4,552,962)
Change in deferred outflows - OPEB - SDBF	107,997
Change in deferred inflows - OPEB - SDBF	(8,381)
Change in deferred outflows - OPEB - retiree health	4,130,004
Change in deferred inflows - OPEB - retiree health	(360,267)

Internal service funds are used by management to charge the costs of certain capital assets and maintenance to individual funds. The net revenue (expense) is reported with governmental activities. 476,948

Change in Net Position of Governmental Activities \$ 1,214,934

See Notes to Financial Statements.

CITY OF ROSENBERG, TEXAS

STATEMENT OF NET POSITION (Page 1 of 2)

PROPRIETARY FUNDS

September 30, 2020

<u>Assets</u>	Business-Type Activities Enterprise Fund			Governmental Activities
	Water and Wastewater	Civic Center Rentals	Total	Internal Service
Current assets				
Cash and cash equivalents	\$ 13,017,281	\$ 151,849	\$ 13,169,130	\$ 6,280,338
Accounts receivable (net of allowance for uncollectibles)	2,383,198	2,617	2,385,815	2,794
Restricted cash and cash equivalents	15,001,936	856	15,002,792	-
Prepaid expense	327,499	71	327,570	22,667
Total Current Assets	30,729,914	155,393	30,885,307	6,305,799
Noncurrent assets				
Capital assets:				
Land	363,209	-	363,209	-
Construction in progress	5,842,504	-	5,842,504	-
Buildings	2,447,823	-	2,447,823	-
Infrastructure	105,995,324	-	105,995,324	-
Machinery and equipment	3,025,612	34,984	3,060,596	5,732,879
Less accumulated depreciation	(42,333,808)	-	(42,333,808)	(4,316,303)
Total Capital Assets (Net)	75,340,664	34,984	75,375,648	1,416,576
Total Noncurrent Assets	75,340,664	34,984	75,375,648	1,416,576
Total Assets	\$ 106,070,578	\$ 190,377	\$ 106,260,955	\$ 7,722,375
Deferred Outflows of Resources				
Deferred outflows - pensions	222,050	21,649	243,699	-
Deferred outflows - OPEB - SDBF	11,478	1,115	12,593	-
Deferred outflows - OPEB - retiree healthcare	359,346	30,737	390,083	-
Total Deferred Outflows of Resources	592,874	53,501	646,375	-

CITY OF ROSENBERG, TEXAS

STATEMENT OF NET POSITION (Page 2 of 2)

PROPRIETARY FUNDS

September 30, 2020

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Water and Wastewater	Civic Center Rentals	Total	Internal Service
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	\$ 1,753,267	\$ 14,907	\$ 1,768,174	\$ 76,224
Accrued interest payable	6,064	-	6,064	-
Customer deposits	1,613,106	856	1,613,962	-
Bonds payable - current	21,000	-	21,000	-
Capital lease payable - current	444,085	-	444,085	-
Compensated absences	6,795	347	7,142	-
Total Current Liabilities	3,844,317	16,110	3,860,427	76,224
Noncurrent liabilities				
Bonds payable - noncurrent	168,000	-	168,000	-
Capital lease payable - noncurrent	262,903	-	262,903	-
Net pension liability - TMRS	1,092,720	106,127	1,198,847	-
Total OPEB liability - SDBF	57,896	5,628	63,524	-
Total OPEB liability - retiree healthcare	1,813,494	170,474	1,983,968	-
Compensated absences	61,151	3,124	64,275	-
Total Noncurrent Liabilities	3,456,164	285,353	3,741,517	-
Total Liabilities	7,300,481	301,463	7,601,944	76,224
Deferred Inflows of Resources				
Deferred inflows - pensions	195,467	19,112	214,579	-
Deferred inflows - OPEB - SBDF	4,505	438	4,943	-
Deferred inflows - OPEB - retiree healthcare	75,697	6,992	82,689	-
Total Deferred Inflows of Resources	275,669	26,542	302,211	-
Net Position				
Net investment in capital assets	74,479,660	-	74,479,660	1,416,576
Unrestricted net position	24,607,642	(84,127)	24,523,515	6,229,575
Total Net Position	\$ 99,087,302	\$ (84,127)	\$ 99,003,175	\$ 7,646,151

See Notes to Financial Statements.

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CITY OF ROSENBERG, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended September 30, 2020

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Wastewater	Civic Center Rentals	Total	Internal Service
<u>Operating Revenues</u>				
Water service	\$ 11,787,702	\$ -	\$ 11,787,702	\$ -
Sewer service	5,173,638	-	5,173,638	-
Charges for services	299,844	34,812	334,656	-
Other revenue	-	-	-	5,770,317
Total Operating Revenues	17,261,184	34,812	17,295,996	5,770,317
<u>Operating Expenses</u>				
Personnel services	2,246,917	195,006	2,441,923	-
Supplies and materials	297,364	6,701	304,065	-
Contractual services	6,442,713	800	6,443,513	-
Repairs and maintenance	2,266,464	138,578	2,405,042	4,987,958
Depreciation	2,317,395	-	2,317,395	371,805
Total Operating Expenses	13,570,853	341,085	13,911,938	5,359,763
Operating Income (Loss)	3,690,331	(306,273)	3,384,058	410,554
<u>Nonoperating Revenues (Expenses)</u>				
Intergovernmental revenue	459,708	2,617	462,325	-
Investment revenue	327,478	1,650	329,128	66,394
Interest expense and fiscal charges	(43,687)	-	(43,687)	-
Total Nonoperating Revenues (Expenses)	743,499	4,267	747,766	66,394
Income (Loss) Before Transfers	4,433,830	(302,006)	4,131,824	476,948
<u>Transfers</u>				
Transfers in	5,209,951	388,000	5,597,951	-
Transfers (out)	(4,371,303)	(63,005)	(4,434,308)	-
Total Transfers	838,648	324,995	1,163,643	-
Change in Net Position	5,272,478	22,989	5,295,467	476,948
Beginning net position	93,814,824	(107,116)	93,707,708	7,169,203
Ending Net Position	\$ 99,087,302	\$ (84,127)	\$ 99,003,175	\$ 7,646,151

See Notes to Financial Statements.

CITY OF ROSENBERG, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2020

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Wastewater	Civic Center Rentals	Total	Internal Service
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ 17,213,706	\$ 32,195	\$ 17,245,901	\$ 6,055,313
Payments to suppliers	(8,034,493)	(150,186)	(8,184,679)	(4,961,242)
Payments to employees	(2,055,943)	(179,963)	(2,235,906)	-
Net Cash Provided (Used) By Operating Activities	7,123,270	(297,954)	6,825,316	1,094,071
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers from (to) other funds, net	838,648	324,995	1,163,643	-
Grant revenue	-	2,617	2,617	-
Net Cash Provided by Noncapital Financing Activities	838,648	327,612	1,166,260	-
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition and construction of capital assets	(7,558,154)	-	(7,558,154)	(44,909)
Interest and fiscal charges	(43,687)	-	(43,687)	-
Principal paid on capital debt	(258,556)	-	(258,556)	-
Intergovernmental proceeds	459,708	-	459,708	-
Net Cash (Used) by Capital and Related Financing Activities	(7,400,689)	-	(7,400,689)	(44,909)
<u>Cash Flows from Investing Activities</u>				
Interest on investments	327,478	1,650	1,650	66,394
Net Cash Provided by Investing Activities	327,478	1,650	329,128	66,394
Net Increase in Cash and Cash Equivalents	888,707	31,308	920,015	1,115,556
Cash and cash equivalents, beginning of year	27,130,510	121,397	27,251,907	5,164,782
Ending Cash and Cash Equivalents	\$ 28,019,217	\$ 152,705	\$ 28,171,922	\$ 6,280,338
Ending Cash and Cash Equivalents:				
Unrestricted cash and cash equivalents	\$ 13,017,281	\$ 151,849	\$ 13,169,130	\$ 6,280,338
Restricted cash and cash equivalents	15,001,936	856	15,002,792	-
Ending Cash and Cash Equivalents	\$ 28,019,217	\$ 152,705	\$ 28,171,922	\$ 6,280,338

See Notes to Financial Statements.

CITY OF ROSENBERG, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2) For the Year Ended September 30, 2020

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Water and Wastewater	Civic Center Rentals	Total	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 3,690,331	\$ (306,273)	\$ 3,384,058	\$ 410,554
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	2,317,395	-	2,317,395	371,805
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in Current Assets:				
Accounts receivable	(47,478)	(2,617)	(50,095)	2,794
Prepays	39,216	156	39,372	282,202
Deferred outflows - pensions	170,224	16,482	186,706	-
Deferred outflows - OPEB - SDBF	(8,282)	(804)	(9,086)	-
Deferred outflows - OPEB - retiree health	(359,346)	(30,737)	(390,083)	-
Increase (Decrease) in Current Liabilities:				
Accounts payable and accrued liabilities	824,115	(2,951)	821,164	26,716
Accrued interest payable	(2,053)	-	(2,053)	-
Compensated absences	6,337	(888)	5,449	-
Customer deposits	110,770	(1,312)	109,458	-
Net pension liability - TMRS	(293,845)	(28,652)	(322,497)	-
Total OPEB liability - TMRS	12,543	1,219	13,762	-
Total OPEB liability - retiree health	497,266	42,533	539,799	-
Deferred inflows - pensions	134,603	13,196	147,799	-
Deferred inflows - OPEB - SDBF	128	13	141	-
Deferred inflows - OPEB - retiree health	31,346	2,681	34,027	-
Net Cash Provided (Used) by Operating Activities	\$ 7,123,270	\$ (297,954)	\$ 6,825,316	\$ 1,094,071

See Notes to Financial Statements.

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CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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.

The City is an independent political subdivision of the State of Texas (the “State”) governed by an elected Council and a mayor and is considered a primary government. As required by 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. Discretely presented component units, 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 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.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

Discretely Presented Component Unit

The Rosenberg Development Corporation

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 \$0.005 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 (the “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’s Board 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 Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government and its component unit. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City’s water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City’s funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following governmental funds:

The general fund is used to account for and report all financial resources not accounted for and reported in other funds. The principal sources of revenues include local property taxes, sales taxes, franchise fees, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, community development and public works. The general fund is always considered a major fund for reporting purposes.

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on all long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The Rosenberg Development Corporation (the “RDC”) projects fund is used to account for the various projects that have been funded by transfers of restricted sales tax revenue from the RDC. It is under the direction of the Economic Development Director who serves as the Executive Director of the RDC with oversight by the City Manager and the Finance Department. The RDC projects fund is considered a major fund for reporting purposes.

The special revenue funds are used to account for, and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The capital projects funds are used to account for and report revenues sources that restricted for various capital improvements. The special revenue funds and capital projects are considered nonmajor funds for reporting purposes.

The City reports the following major enterprise funds:

The enterprise funds are used to account for the operations that provide (i) water and wastewater collection and the construction of related facilities and (ii) the rental activities of the Civic Center. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The acquisition, maintenance, and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds (revenue or general obligation), and other City funds.

Additionally, the City reports the following fund type:

The internal service fund accounts for health insurance, fleet replacement, and information services provided to other departments on a cost reimbursement basis.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 City 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 fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

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. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

The City maintains pooled cash and investment accounts. Each fund whose monies are deposited in the pooled cash and investment accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and cash equivalents."

2. Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and is reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Statewide investment pools

3. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased (i.e., the consumption method).

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

4. Restricted Assets

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

5. 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. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets 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 at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	20 to 40 years
Vehicles	3 to 7 years
Machinery and equipment	3 to 10 years
Water and sewer system	3 to 40 years
Infrastructure	30 years

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position 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. In addition to liabilities, the statement of financial position 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.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- 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.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

At the fund level, the City has two types of items, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the items, *unavailable revenue*, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and court fines. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available. The other type of deferred inflows is for the long-term receivable from the RDC for their portion of debt.

7. 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.

8. Long-Term Obligations

In 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 using the straight-line method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the property tax along with the interest earned in the debt service fund.

9. 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 the 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.

10. 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

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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.

11. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

12. 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, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

13. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS'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.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

14. Other Postemployment Benefits

The City participates in a single-employer, unfunded, defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. 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. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

The City also provides medical benefits to eligible retirees through a single-employer defined benefit plan (the "Plan"). This Plan is an unfunded, pay-as-you-go plan. Information about the City's OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by the City's consulting actuary.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales, services and rental fees. The enterprise funds also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except the capital projects funds, which adopt project length budgets. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the charter in the approved budget is the department level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

September 30, 2020. The RDC projects fund, hotel/motel occupancy tax fund, municipal court technology fund, beautification fund, law enforcement fund, CDBG fund, police asset forfeiture fund, park land dedication fund, juvenile case manager fund, municipal court child safety fund, municipal court building security fund, MUD fire fund, police federal forfeiture fund, fire station No. 3 fund, and cable PEG fees fund are all special revenue funds that have adopted budgets.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2020, the City had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
Primary government		
Certificates of Deposit	\$ 4,504,798	0.36
LOGIC	27,640,813	0.15
TexPool	27,940,567	0.10
Lone Star	7,610,613	0.11
CLASS	10,881,290	0.15
Total Investments	<u>\$ 78,578,081</u>	
Portfolio weighted average maturity		0.14
Component unit		
TexPool	<u>\$ 2,293,050</u>	0.10

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Credit risk. The City’s investment policy limits investments in public fund investment pools rated as to investment quality not less than “A” or “AAAm,” or an equivalent rating by at least one nationally recognized rating service. Investments in SEC-registered and regulated money market mutual funds must have an investment quality not less than “AAA-,” or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2020, the City’s investments in investment pools were rated “AAA” or “AAAm” by Standard & Poor’s. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States government or the issuing U.S. agency.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2020, fair market values of pledged securities and FDIC coverage exceeded bank balances.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City’s safekeeping account prior to the release of funds.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

TexPool

TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool 'AAAm'. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool 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 TexPool's liquidity.

LOGIC

The Local Government Investment Cooperative (LOGIC) was created in 1994 by Texas local government officials who understand the specific needs and challenges of investing public funds. LOGIC is administered by Hilltop Securities and JPMorgan Chase. Together these organizations bring to the LOGIC program the powerful partnership of two leaders in financial services with a proven track record in local government investment pool management and extensive industry resources. LOGIC was rated "AAA" by Standard and Poor's.

Lone Star

In 1991, First Public launched the Lone Star Investment Pool with a simple goal: to make the job of managing public funds safer and easier. Since then, Lone Star has focused on providing innovative services. Lone Star was among the first investment pools of its kind to offer clients the convenience of online transactions and to tailor fund options to meet a range of investment goals. We limit investments only to those allowed by the Public Funds Investment Act. Certain funds within the Pool feature other investment restrictions to further help protect your principal. Lone Star spread investments among individual issues of securities that mature at different times, reducing your risk even more. To ensure up-to-date investment valuations, each fund is marked-to-market daily. Each Lone Star fund has earned Standard & Poor's highest rating (AAA), which meets the standards set by the Public Funds Investment Act.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

14, 2011 (the “Agreement”), among certain Texas governmental entities investing in CLASS (the “Participants”), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State of Texas. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the “Board”), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS’ website at www.texasclass.com.

B. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general fund, the debt service fund, the nonmajor governmental funds in the aggregate, the proprietary fund and the component unit, including the applicable allowances for uncollectible accounts.

	Governmental Funds			Proprietary Fund			Component Unit
	General	Debt Service	Nonmajor	Water and Wastewater	Civic Center Rentals	Internal Service	
Property taxes	\$ 217,619	\$ 178,827	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	2,817,028	-	-	-	-	-	933,266
Hotel taxes	-	-	31,949	-	-	-	-
Franchise fees	119,554	-	13,585	-	-	-	-
Other taxes	-	-	-	-	-	2,794	-
Intergovernmental	559,759	-	-	-	-	-	-
Accounts receivable	656,890	-	-	2,258,225	2,617	-	-
Other receivables	1,677,479	7,919	549,799	156,575	-	-	-
Less allowance	(1,178,211)	(981)	-	(31,602)	-	-	-
	<u>\$ 4,870,118</u>	<u>\$ 185,765</u>	<u>\$ 595,333</u>	<u>\$ 2,383,198</u>	<u>\$ 2,617</u>	<u>\$ 2,794</u>	<u>\$ 933,266</u>

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

C. Capital Assets

A summary of changes in capital assets for governmental activities for the year end is as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	(Decreases)/ Reclassifications	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 6,126,946	\$ -	\$ -	\$ 6,126,946
Construction in progress	13,325,060	4,946,944	(16,142,632)	2,129,372
Total capital assets not being depreciated	<u>19,452,006</u>	<u>4,946,944</u>	<u>(16,142,632)</u>	<u>8,256,318</u>
Other capital assets:				
Infrastructure	13,459,418	-	-	13,459,418
Buildings and improvements	16,869,768	518,246	-	17,388,014
Vehicles, machinery, and equipment	120,889,219	16,231,177	-	137,120,396
Total other capital assets	<u>151,218,405</u>	<u>16,749,423</u>	<u>-</u>	<u>167,967,828</u>
Less accumulated depreciation for:				
Infrastructure	(7,255,606)	(340,381)	-	(7,595,987)
Buildings and improvements	(12,117,586)	(1,008,132)	-	(13,125,718)
Vehicles, machinery, and equipment	(41,754,007)	(2,936,667)	-	(44,690,674)
Total accumulated depreciation	<u>(61,127,199)</u>	<u>(4,285,180)</u>	<u>-</u>	<u>(65,412,379)</u>
Other capital assets, net	90,091,206	12,464,243	-	102,555,449
Governmental Activities Capital Assets, Net	<u>\$ 109,543,212</u>	<u>\$ 17,411,187</u>	<u>\$ (16,142,632)</u>	<u>110,811,767</u>
			Plus deferred loss on refunding	121,988
			Plus unspent bond proceeds	5,306,085
			Less associated debt	(61,613,162)
			Net Investment in Capital Assets	<u>\$ 54,626,678</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 99,582
Public safety	1,000,221
Public works	2,853,575
Community development	331,802
Total Governmental Activities Depreciation Expense	<u>\$ 4,285,180</u>

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

A summary of changes in capital assets for business-type activities for the year end is as follows:

	Beginning Balance	Increases	(Decreases)/ Reclassifications	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 363,209	\$ -	\$ -	\$ 363,209
Construction in progress	4,633,954	7,496,054	(6,287,504)	5,842,504
Total capital assets not being depreciated	4,997,163	7,496,054	(6,287,504)	6,205,713
Other capital assets:				
Water and sewer system	102,155,643	6,287,504	-	108,443,147
Vehicles, machinery, and equipment	2,998,496	62,100	-	3,060,596
Total other capital assets	105,154,139	6,349,604	-	111,503,743
Less accumulated depreciation for:				
Water and sewer system	(38,021,400)	(2,138,252)	-	(40,159,652)
Vehicles, machinery, and equipment	(1,995,013)	(179,143)	-	(2,174,156)
Total accumulated depreciation	(40,016,413)	(2,317,395)	-	(42,333,808)
Other capital assets, net	65,137,726	4,032,209	-	69,169,935
Business-Type Activities Capital Assets, Net	\$ 70,134,889	\$ 11,528,263	\$ (6,287,504)	75,375,648
			Less associated debt	(895,988)
			Net Investment in Capital Assets	\$ 74,479,660

Depreciation was charged to business-type functions as follows:

Water and wastewater	\$ 2,317,395
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CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

Construction in progress and other significant commitments under related construction contracts at year end are as follows:

Project Description	Total in Progress	Remaining Commitment
Governmental activities:		
Airport Avenue Road Extension	\$ 272,747	\$ 2,926,803
Avenue C Connector	36,255	847,795
Bamore Road Extension Project	168,657	1,581,343
Benton Road County Mobility	150,198	5,299,802
Downtown Parking Lot - Phase II	609,443	60,707
Dry Creek Drainage Improvements	269,112	621,095
Railroad Quiet Zones	133,587	1,033,027
RDC Building Project	240,234	783,658
Road Improvements - Street Overlay Program	913,637	1,326,364
Traffic Light Signal at Reading and Town Center Blvd	-	230,750
Total Governmental Activities:	<u>\$ 2,793,870</u>	<u>\$ 14,711,344</u>
Business-type activities:		
CDBG North Side Water Improvement-Phase VII	\$ 63,766	\$ 536,234
CDBG-DR Lift Stations 9 & 10	20,375	278,236
Dollar Tree Infrastructure Project	4,611,562	478,835
FM 2218 Waterline Extension	110,144	1,589,856
Generator - WWTP#1A	399,161	513,364
I-69 Waterline Extension	309,027	853,674
Reclaimed Water Phase II	288,557	311,443
SCADA Project	378,653	101,347
Spacek Road Sewer Line	12,060	485,168
Total Business-Type Activities:	<u>\$ 6,193,305</u>	<u>\$ 5,148,157</u>

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

D. Long-Term Debt

The following is a summary of changes in the City's total long-term liabilities for the year end. In general, the City uses the general and debt service funds to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Direct borrowings/placements:					
General obligation bonds	\$ 14,825,000	\$ 7,075,000	\$ (4,175,000)	\$ 17,725,000	* \$ 1,755,000
Certificates of obligation	52,060,000	-	(10,145,000)	41,915,000	* 2,425,000
Deferred amounts:					
For issuance discounts/premiums	1,636,091	827,640	(490,569)	1,973,162	*
	<u>68,521,091</u>	<u>7,902,640</u>	<u>(14,810,569)</u>	<u>61,613,162</u>	<u>4,180,000</u>
Other liabilities:					
Net pension liability - TMRS	16,941,568	-	(3,592,441)	13,349,127	-
Total OPEB liability - SDBF	554,144	153,257	-	707,401	-
Total OPEB liability - retiree health	16,082,158	5,715,118	-	21,797,276	-
Compensated absences	771,417	780,972	(604,868)	947,521	94,752
Total Governmental Activities	<u>\$ 102,870,378</u>	<u>\$ 14,551,987</u>	<u>\$ (19,007,878)</u>	<u>\$ 98,414,487</u>	<u>\$ 4,274,752</u>

Long-term debt due in more than one year \$ 94,139,735

*Debt associated with governmental activities capital assets \$ 61,613,162

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities:					
Direct borrowings/placements:					
Revenue bonds	\$ 210,000	\$ -	\$ (21,000)	\$ 189,000	\$ 21,000
Other payables:					
Capital leases	944,544	-	(237,556)	706,988	444,085
	<u>1,154,544</u>	<u>-</u>	<u>(258,556)</u>	<u>895,988</u>	<u>* 465,085</u>
Other liabilities:					
Net pension liability	1,521,344	-	(322,497)	1,198,847	-
Total OPEB liability - SDBF	49,762	13,762	-	63,524	-
Total OPEB liability - retiree health	1,444,169	539,799	-	1,983,968	-
Compensated absences	65,968	8,808	(3,359)	71,417	7,142
Total Business-Type Activities	<u>\$ 4,235,787</u>	<u>\$ 562,369</u>	<u>\$ (584,412)</u>	<u>\$ 4,213,744</u>	<u>\$ 472,227</u>

Long-term debt due in more than one year \$ 3,741,517

*Debt associated with business-type activities capital assets \$ 895,988

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Component unit:					
Notes payable	\$ 2,650,235	\$ 167,678	\$ (951,635)	\$ 1,866,278	\$ 587,046
Total Component Unit:	\$ 2,650,235	\$ 167,678	\$ (951,635)	\$ 1,866,278	\$ 587,046
Long-term debt due in more than one year				\$ 1,279,232	

The City's long-term debt includes all outstanding bonded debt secured by the full faith and credit of the City. The bonds are certificates of obligation and general obligation bonds that are secured by the full faith and credit of the City and are paid from taxes levied on all taxable property located within the City and revenue generated from operations. For governmental activities, compensated absences are generally liquidated by the general fund. For governmental activities, the net pension liability and total other postemployment benefits liability are fully liquidated by the general fund.

The revenue bonds and capital lease 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 following is a summary of the terms of general obligation bonds, certificates of obligation, revenue bonds, and capital lease outstanding as of September 30, 2020:

Description	Original Issue	Matures	Interest Rates	Balance
<u>Governmental Activities</u>				
General Obligation Bonds				
General Obligation, Series 2014	\$ 1,565,000	2034	3.00-4.00%	\$ 1,085,000
Refunding Bonds, Series 2017	\$ 7,390,000	2028	2.00-4.00%	5,505,000
Refunding Bonds, Series 2017A	\$ 4,945,000	2029	3.00%	4,060,000
Refunding Bonds, Series 2020	\$ 7,785,000	2030	3.00%	7,075,000
		Total General Obligation Bonds		17,725,000
Certificates of Obligation				
Certificates of Obligation, Series 2012	\$ 8,600,000	2032	2.50-3.30%	5,160,000
Certificates of Obligation, Series 2013	\$ 9,000,000	2033	2.00-2.75%	6,440,000
Certificates of Obligation, Series 2014	\$ 5,000,000	2034	2.00-3.50%	3,835,000
Certificates of Obligation, Series 2014A	\$ 3,000,000	2034	3.00-4.00%	2,285,000
Combined Tax and Revenue , Series 2015	\$ 9,760,000	2035	2.30-3.00%	7,755,000
Combined Tax and Revenue , Series 2016	\$ 9,825,000	2036	2.00-2.05%	8,150,000
Certificates of Obligation, Series 2017	\$ 9,320,000	2037	3.00%	8,290,000
		Total Certificates of Obligation		41,915,000
		Total Governmental Activities Long-Term Debt		\$ 59,640,000
<u>Business-Type Activities</u>				
Revenue Bonds				
Combined Tax and Revenue , Series 2010	\$ 394,000	2029	N/A	\$ 189,000
Capital leases	\$ 1,779,935	2022	variable	706,988
		Total Business-Type Activities Long-Term Debt		\$ 895,988

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

The annual debt service requirements at year end are as follows:

Year Ending	Governmental Activities			
	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2021	\$ 1,755,000	\$ 573,750	\$ 2,425,000	\$ 1,088,531
2022	1,820,000	517,100	2,485,000	1,029,705
2023	1,885,000	451,350	2,540,000	969,818
2024	1,950,000	383,650	2,600,000	906,093
2025	2,040,000	313,275	2,655,000	838,248
2026-2030	7,975,000	555,526	14,290,000	3,097,215
2031-2035	300,000	24,000	13,120,000	1,070,407
2036-2039	-	-	1,800,000	42,648
Total	\$ 17,725,000	\$ 2,818,651	\$ 41,915,000	\$ 9,042,665

Year Ending	Business-Type Activities			
	Revenue Bonds		Capital Leases	
	Principal	Interest	Principal	Interest
2021	\$ 21,000	\$ -	\$ 444,085	\$ 28,694
2022	21,000	-	262,903	5,078
2023	21,000	-	-	-
2024	21,000	-	-	-
2025	21,000	-	-	-
2026-2030	84,000	-	-	-
Total	\$ 189,000	\$ -	\$ 706,988	\$ 33,772

Notes Payable

Portions of the general obligation refunding bonds, series 2017A and 2020 are being paid from the RDC in the amounts of \$1,258,600, and \$167,678, respectively. Additionally, although the 2011 and 2012 general obligation refunding bonds were paid by cash defeasance in fiscal year 2020, the RDC did not pay for their portion of the payoff. Therefore, portions of the 2011 and 2012 general obligation refunding bonds will be paid by RDC in FY2021, in the amounts of \$105,000 and \$335,000, respectively. These amounts are being shown as liabilities in the RDC as these amounts have been guaranteed by the RDC. 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, 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 RDC.

The annual debt service requirements at year end are as follows:

Year Ending	Component Unit	
	Principal	Interest
2021	\$ 587,046	\$ 41,518
2022	152,407	37,175
2023	157,413	32,685
2024	164,205	28,022
2025	172,785	23,141
2026-2030	632,422	44,706
Total	\$ 1,866,278	\$ 207,247

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

The City is not obligated in any manner for special assessment debt.

Capital assets acquired under current capital lease obligations totaled \$1,779,935 (machinery and equipment) less accumulated depreciation of \$1,779,935, net \$0.

Cash Defeasance

In the current year, the Series 2011 and Series 2012 General Obligation and Refunding Bonds (the “Bonds”), and the Series 2012A and Series 2013A Certificates of Obligation (the “Certificates”) were defeased by the City contributing \$1,448,938 from the City to an escrow agent to provide for all future debt services payments of \$1,443,688. At September 30, 2020, \$835,000 of the Bonds and \$595,000 of the Certificates were considered defeased. The net carrying amount exceeded the reacquisition price by \$50,837. This cash defeasance resulted in an economic gain of \$74,917.

Current Refunding

In February 2020, the City issued \$7,075,000 in General Obligation Refunding Bonds, Series 2020 (the “Bonds”) with an \$827,640 premium to provide resources for all future debt service payments of \$1,625,000 of General Obligation Bonds, Series 2010 and \$1,725,000 of Combination Tax and Revenue Bonds, Series 2010A and \$4,435,000 of Combination Tax and Revenue Bonds, Series 2010B. Interest rates on the Bonds range from 2.00% to 4.25% and the Bonds will mature on March 1, 2030. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$121,988. This amount is being amortized over the remaining life of the refunded debt, which is the same as the life of the new debt issued. This current refunding was undertaken to reduce total debt service payments over the next 10 years by \$996,895 and resulted in an economic gain of \$913,397.

Legal Debt Margin

The City is authorized to issue debt up to 10% of the average full valuation of taxable real property which is currently \$265,784,044. The net indebtedness subject to the debt limit is \$54,253,831 resulting in a legal debt margin of \$211,530,213.

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

E. Interfund Transactions

Transfers between the primary government funds during the year were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amounts</u>
General	Nonmajor governmental	\$ 212,098
General	Water and wastewater	1,686,842
Civic center rentals	General	54,000
Debt service	Water and wastewater	2,684,461
Debt service	Civic center rentals	63,005
Water and wastewater	Nonmajor governmental	2,796,388
Nonmajor governmental	General	2,056,030
Civic center rentals	Nonmajor governmental	334,000
Nonmajor governmental	Nonmajor governmental	1,413,146
Water and wastewater	General	28,492
Water and wastewater	RDC Projects	2,385,071
	Total	<u><u>\$ 13,713,533</u></u>

Transfers to the general fund from the water and wastewater fund were subsidies for administrative expenditures. Other transfers between funds are utilized to move unrestricted fund revenues to finance various programs that must be accounted for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for grant programs and governmental expenditures.

F. Fund Balance/Net Position

As of September 30, 2020, \$1,599,417 of the City's total fund balance is restricted by enabling legislation.

Hotel/Motel	\$ 936,048
Municipal Court Building Security	6,637
Municipal Court Child Safety	219,059
Juvenile Case Manager	149,863
PEG fees	285,650
Municipal Court Technology	2,160
Total restricted by enabling legislation	<u><u>\$ 1,599,417</u></u>

As of September 30, 2020, there is a deficit net position balance of \$84,127 in Civic Center Rental fund.

G. Restricted Assets

The water and wastewater enterprise fund has restricted certain cash and investments for capital projects, customer deposits, subsidence and impact fees, and intergovernmental agreements. The civic center rental fund has restricted certain cash and investments for customer deposits.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League's (TML) Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

The City also provides workers' compensation insurance through the TML Workers' Compensation Fund (the "Fund"). Workers' compensation premiums are subject to change when audited by the Fund. At September 30, 2020, the City believed the amounts paid on workers' compensation would not change significantly from the amounts recorded.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

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. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

COVID-19

The continued spread of the COVID-19 pandemic has given a rise in uncertainties that may have a significant negative impact on the operating activities and results of the City. The occurrence and extent of such impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are uncertain.

C. Pension Plan

Texas Municipal Retirement System

Plan Description

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for municipal employees in the State. The TMRS Act places the general administration and management of TMRS with a six-member Board of Trustees (the "Board"). Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State. TMRS's defined benefit pension

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report 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 one of seven payment 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 percent of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>2020</u>	<u>2019</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees Covered by Benefit Terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	168
Inactive employees entitled to, but not yet, receiving benefits	184
Active employees	278
Total	<u><u>630</u></u>

Contributions

The contribution rates for employees in TMRS are either five percent, six percent, or seven percent of employee gross earnings, and the City-matching percentages are either 100 percent, 150 percent, or 200 percent, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution 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 seven percent of their annual gross earnings during the fiscal year. The contribution rate for the City was 16.19 percent and 16.35 percent in

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

calendar years 2020 and 2019, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2020 were \$2,931,829, which were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.00% 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 are based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-Distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active members, healthy retirees, and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a four-year set-forward for males and a three-year set-forward for females. In addition, a 3.5 percent and 3.0 percent minimum mortality rate is applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for the annuity purchase rates is based on the mortality experience investigation study covering 2009 through 2011 and dated December 31, 2013. 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, the actuary 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).

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equities	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the TPL 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 periods of projected benefit payments to determine the TPL.

Changes in the NPL

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability (A) - (B)</u>
Changes for the year:			
Service cost	\$ 2,873,947	\$ -	\$ 2,873,947
Interest	5,229,709	-	5,229,709
Change of benefit terms	-	-	-
Difference between expected and actual experience	660,421	-	660,421
Changes of assumptions	411,125	-	411,125
Contributions - employer	-	2,798,557	(2,798,557)
Contributions - employee	-	1,198,191	(1,198,191)
Net investment income	-	9,146,607	(9,146,607)
Benefit payments, including refunds of employee contributions	(3,128,444)	(3,128,444)	-
Administrative expense	-	(51,663)	51,663
Other changes	-	(1,552)	1,552
Net Changes	<u>6,046,758</u>	<u>9,961,696</u>	<u>(3,914,938)</u>
Balance at December 31, 2018	77,604,417	59,141,505	18,462,912
Balance at December 31, 2019	<u>\$ 83,651,175</u>	<u>\$ 69,103,201</u>	<u>\$ 14,547,974</u>

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 28,618,078	\$ 14,547,974	\$ 3,279,200

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

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

For the fiscal year ended September 30, 2020, the City recognized net pension expense of \$3,076,958.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 537,566	\$ 532,818
Changes in actuarial assumptions	318,945	-
Difference between projected and actual investment earnings	-	2,072,747
Contributions subsequent to the measurement date	2,101,829	-
Total	\$ 2,958,340	\$ 2,605,565

\$2,101,829 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30:	Pension Expense
2021	\$ (601,332)
2022	(515,153)
2023	287,822
2024	(920,391)
2025	-
Thereafter	-
Total	\$ (1,749,054)

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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 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’s 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, 2020, 2019, and 2018 were \$48,947, \$46,272, and \$48,190, respectively, and were equal to the required contributions for each year.

Based on the net position effect of \$12,118 (net pension liability of \$13,889 as of the measurement date of August 31, 2019), management has determined the effect of GASB 68 are not material to the financial statements and the amounts have not been recorded in the government-wide financial statements.

D. Other Postemployment Benefits

TMRS – Supplemental Death Benefit

Plan Description

The City participates an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers 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.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. 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 pre-fund retiree term life insurance during employees’ entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of *Governmental Accounting Standards Board Statement No. 75* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer’s yearly contributions for retirees.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The TMRS Act requires the PTF to allocate a five percent interest credit from investment income to the SDBF on an annual basis each December 31 based on the mean balance in the SDBF during the year.

Benefits

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 OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated). Participation in the SDBF as of December 31, 2019 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	109
Inactive employees entitled to, but not yet receiving, benefits	45
Active employees	278
Total	432

Total OPEB Liability

The City's total OPEB liability of \$770,925 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	2.75%*
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

Changes in the Total OPEB Liability

		Total OPEB	Liability
Changes for the year:			
Service cost	\$	23,964	
Interest		22,754	
Differences between expected and actual experience		(13,902)	
Changes of assumptions		139,338	
Benefit payments*		(5,135)	
	Net Changes	167,019	
Beginning balance		603,906	
	Ending Balance	\$ 770,925	

* Benefit payments are treated as being equal to the employer's yearly contributions for retirees due to the SDBF being considered an unfunded OPEB plan under GASB 75.

The discount rate decreased from 3.71% as of December 31, 2018 to 2.75% as of December 31, 2019. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (1.75%)	Discount Rate (2.75%)	1% Increase in Discount Rate (3.75%)
City's Total OPEB Liability	\$ 959,620	\$ 770,925	\$ 627,635

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 24,489
Changes in actuarial assumptions	148,944	35,508
Contributions subsequent to the measurement date	3,894	-
Total	\$ 152,838	\$ 59,997

\$3,894 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction the of total OPEB liability for the fiscal year ending September 30, 2021.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended September 30	OPEB Expense
2021	\$ 17,157
2022	17,157
2023	17,157
2024	15,451
2025	11,141
Thereafter	10,884
Total	\$ 88,947

Retiree Health Plan

Plan Description

The City offers its eligible retirees and their dependents medical and prescription drug coverage through a single-employer defined benefit OPEB plan (the “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 No. 75. The pre-65 plan is a continuation of the fully insured, active plan. The premiums do not cover the cost of the retirees on a stand-alone basis. Thus, there is an implicit subsidy which is part of the OPEB liability. The post-65 plan is a fully insured, Medicare supplement plan.

Benefits and Contributions

To qualify for the retiree health plan benefits, employees must be age 60 or greater with 5 years of service with the City or have 20 years of TMRS creditable service. Retirees are required to contribute to receive coverage with the contributions varying by years of service. The lowest level of contribution is after an employee retires with at least 30 years of service. They contribute approximately 5% of the cost – the same percentage as active employees. There are no plans to reduce benefits and the group is open with future hires still covered. The contributions are assumed to increase with trend.

Retirees are responsible for payment of premiums for dependent coverage, and the City pays a portion of the retiree premiums based on the number of years of service with the City. The City’s contributions to the Plan for the year ended September 30, 2020 were \$291,167 while total contributions to the plan 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	61
Active employees	273
Total	334

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Valuation Date	09/30/2020
Actuarial Cost Method	Entry Age Level
Inflation Rate	2.50%
Salary Increases	3.00%, including inflation
Discount Rate	2.41%
Mortality	General RP-2014 Combined Table projected using MP-2019 was used with no gender roll-forwards or roll-backs.
Healthcare Cost and Trend Rates	Getzen Trend Model. Pre-65 (initial/ultimate) was 6.8%/4.0%. Post-65 (initial/ultimate) was 5.4%/4.0%.
Turnover	Based on City's Experience
Retirement	Based on City's Experience

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 retirees 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 2.41% 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, 2020.

Changes in the Total OPEB Liability

The City's total OPEB liability of \$23,781,244 was measured as of September 30, 2020 and was determined by an actuarial valuation of as September 30, 2020.

	Increase (Decrease)
	Total OPEB Liability
Changes for the year:	
Service cost	\$ 1,014,357
Interest	502,506
Change of benefit terms	-
Difference between expected and actual experience	(788,197)
Changes in assumptions	6,026,783
Benefit payments	(500,532)
	Net Changes
	6,254,917
Balance at September 30, 2019	17,526,327
	Balance at September 30, 2020
	\$ 23,781,244

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

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 (2.41%) in measuring the total OPEB liability:

	1% Decrease (1.41%)	Discount Rate (2.41%)	1% Increase (3.41%)
City's Total OPEB Liability	\$ 29,167,533	\$ 23,781,244	\$ 19,640,671

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:

	1% Decrease	Current Healthcare Costs Trend Rate Assumption	1% Increase
City's Total OPEB Liability	\$ 19,055,182	\$ 23,781,244	\$ 30,263,622

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the City recognized OPEB expense of \$2,629,655. At September 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 591,148
Changes in actuarial assumptions	4,520,087	393,708
Total	\$ 4,520,087	\$ 984,856

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

Fiscal Year Ended September 30	Pension Expense
2021	\$ 1,112,793
2022	1,112,793
2023	1,309,645
Thereafter	-
Total	\$ 3,535,231

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (the “Plan”). 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.

E. Commitments and Contingencies

Texas State Technical College Performance Agreement

In 2015, the RDC entered into a performance agreement (the Agreement”) with Texas State Technical College (TSTC) to fund up to \$2,500,000 for a 105,000 square foot TSTC Campus to be located in the City. In fiscal year 2020, the RDC paid \$200,000 for year 5 of the Agreement. The payments are made as follows:

Years 1 to 5: \$200,000 each year

Years 6 to 10: \$300,000 each year

Rosenberg Business Park Ltd. Development Agreement

The RDC and the City have entered into a development agreement (the “Agreement”) with the Rosenberg Business Park Ltd. (the “Developer”), for the development of the Rosenberg Business Park (the “Park”). The City agreed to fund, design, and construct certain public improvements including drainage, utilities, and roads to encourage and promote the development of an industrial distribution business park. The Developer has agreed to construct a building with a minimum of 25,000 square feet, assure the creation of at least five new jobs, convey certain property/assets to the City, and promote the Park. Phase I Improvements were completed in fiscal year 2018 at a cost of \$3,610,936. The Agreement includes obligations to fund future projects known as Phase II Future Improvements. This obligation is contingent on (i) the Developer selling or entering into a long-term lease with an end user/builder of at least 50% of the property served in Phase I Improvements or (ii) the Developer selling or entering into a long-term lease with an end user/builder for at least 50% of the property which requires Phase II Future Improvements. If the Developer does not meet the property sales threshold within 10 years of the completion of the construction of Phase I Improvements, the City will have the right to terminate the Agreement and have no further obligation to construct the future improvements. The RDC and City are committed to each fund 50% of the total infrastructure costs for Phase II of the Business Park infrastructure. The anticipated costs for each entity is expected to be \$852,450.

Dollar Tree, Inc. Public Improvement Construction Agreement

The City entered into a public improvement construction agreement (the “Agreement”) with Dollar Tree, Inc. (the “Company”). The City agreed to construct public improvements noted in the Agreement. The entire costs of the construction of the public improvements shall be the responsibility and obligation of the City. The City shall substantially complete the construction of the public sanitary sewer improvements and the public water supply improvements on or before May 1, 2020. In the event of default by the Company, all costs actually incurred by the City prior to such default must be reimbursed by the Company. Interest will be charged if the reimbursement is not received within 60 days.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

Dollar Tree, Inc. Targeted Infrastructure and Performance Agreements

The RDC entered into a targeted infrastructure agreement (the “Agreement”) with Dollar Tree, Inc. (the “Company”). The RDC agreed to provide a cash payment grant reimbursing the Company for costs incurred to construct rights-of-way improvements in an amount not to exceed \$1,650,000. Payments are not due until the City has accepted the rights-of-way improvements and assumed the maintenance. The RDC will reimburse 50% of the City real property taxes paid by the Company starting in tax year 2021 through tax year 2025. The RDC will also provide training assistance reimbursements up to \$1,800 per employee for training costs that are for jobs that comply with the wage requirements per the Agreement. The Company must obtain a certificate of occupancy and commence warehousing and distribution operations at the facility on or before the completion deadline. The Company must create and maintain 300 full-time employees with a \$15 per hour average employee wage by year three and achieve the annual benchmarks noted in the Agreement. The capital investment by the Company must be a minimum of \$130,000,000.

The RDC also entered into a performance agreement to provide an incentive grant in the amount of \$1,075,000 payable in four annual installments of \$250,000 and a final payment in year five of \$75,000.

Wet Sounds, Inc. Performance Agreement

The RDC entered into a performance agreement (the “Agreement”) with Wet Sounds, Inc. (the “Company”) to provide for a direct incentive up to \$75,000, from the RDC’s share of one-half of one percent of sales tax, to reimburse the Company for public infrastructure costs and related fees and permits. The Company agreed to construct a minimum of 115,000 square feet of headquarters, office and operations space, and related site improvements to be completed by December 31, 2021. The Company also agreed to hire and maintain 40 full-time employees through the term of the Agreement. The term of the Agreement is ten years. In the event of default, the Company must reimburse the RDC for any payments received with interest.

F. Tax Abatement Incentives

Chapter 312 Property Tax Abatement Agreements

1. Si Environmental, LLC

The City has created Reinvestment Zone No. 25 (the “Zone”) in accordance with Texas Tax Code, Chapter 312. The City entered into a Tax Abatement Agreement (the “Agreement”) with Si Environmental, LLC (the “Company”) in accordance with Chapter 312 of the Texas Tax Code. The Company’s property, which is located in the Zone, is subject to a tax abatement under this Agreement. The tax abatement shall be applied to the extent to which the certified appraised value of the improvements and eligible tangible personal property for each applicable tax year exceeds the certified appraised value of the improvements and eligible tangible personal property for the year in which this Agreement is executed. The Company has agreed to construct 60,000 square feet of headquarters, office and operation space on or before March 31, 2022. Any future improvements constructed during the term of this Agreement will also be included. The Company must have a certified appraised value of not less than \$6 million. On or before May 1, 2021, the Company shall maintain a minimum of 191 full-time employees which will increase by 5 full-time employees per year for each year of the Agreement. The Company shall receive a property tax abatement on both the improvements and eligible tangible personal property at the rates below. The term of the Agreement extends through December 31, 2026. In the event of default by the

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

Company, the applicable amount of property taxes abated during the agreement must be repaid including interest and penalties. For fiscal year 2020, the City did not recognize any rebates.

2. Seatex, LLC

The City has created Reinvestment Zone No. 21 (the “Zone”) in accordance with Texas Tax Code, Chapter 312. The City entered into a Tax Abatement Agreement (the “Agreement”) with Seatex, LLC (the “Company”) in accordance with Chapter 312 of the Texas Tax Code. The Company’s property, which is located in the Zone, is subject to a tax abatement under this Agreement. The tax abatement shall be applied to the extent to which the certified appraised value of the improvements and eligible tangible personal property for each applicable tax year exceeds the certified appraised value of the improvements and eligible tangible personal property for the year in which this Agreement is executed, which was \$19,262,720. To qualify for the property tax abatement the certified appraised value for the applicable effective tax year must be at least \$21,762,720. The Company must maintain 110 full-time employees. The abatement will be based on the percentages below. The term of the Agreement extends through December 31, 2024. In the event of default by the Company, the applicable amount of property taxes abated during the agreement must be repaid including interest and penalties. For fiscal year 2020, the City did not recognize any rebates.

3. OCuSOFT

The City has created Reinvestment Zone No. 22 (the “Zone”) in accordance with Texas Tax Code, Chapter 312. The City entered into a Tax Abatement Agreement (the “Agreement”) with OCuSOFT (the “Company”) in accordance with Chapter 312 of the Texas Tax Code. The Company’s property, which is located in the Zone, is subject to a tax abatement under this Agreement. The tax abatement shall be applied to the extent to which the certified appraised value of the improvements and eligible tangible personal property for each applicable tax year exceeds the certified appraised value of the improvements and eligible tangible personal property for the year in which this Agreement is executed which was \$18,230,387. To qualify for the property tax abatement the certified appraised value for the applicable effective tax year must be at least \$21,230,387. The Company must maintain 125 full-time employees. The abatement will be based on the percentages below. The term of the Agreement extends through December 31, 2026. In the event of default by the Company, the applicable amount of property taxes abated during the agreement must be repaid including interest and penalties. For fiscal year 2020, the City did not recognize any rebates.

4. Wet Sounds, Inc.

The City has created Reinvestment Zone No. 24 (the “Zone”) in accordance with Texas Tax Code, Chapter 312. The City entered into a Tax Abatement Agreement (the “Agreement”) with Wet Sounds, Inc. (the “Company”) in accordance with Chapter 312 of the Texas Tax Code. The tax abatement shall be applied to the extent to which the certified appraised value of the improvements and eligible tangible personal property for each applicable tax year exceeds the certified appraised value of the improvements and eligible tangible personal property for the year in which this Agreement is executed. The Company agreed to construct 115,000 square feet of headquarters, office and operation space on or before December 31, 2021. Any future improvements constructed during the term of this Agreement will also be included. The Company must expend not less than \$8.5 million on improvements on the property and have a certified appraised value of not less than \$7.5 million.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

The Company shall maintain a minimum of 40 full-time employees at an average wage of \$28 per hour by December 31, 2021. The Company shall receive a property tax abatement on both the improvements and eligible tangible personal property at the rates below. The term of the Agreement extends through December 31, 2031. In the event of default by the Company, the applicable amount of property taxes abated during the agreement must be repaid including interest and penalties. For fiscal year 2020, the City did not recognize any rebates.

5. Dollar Tree, Inc.

The City has created Reinvestment Zone No. 20 (the “Zone”) in accordance with Texas Tax Code, Chapter 312. The City entered into a Tax Abatement Agreement (the “Agreement”) with Dollar Tree, Inc. (the “Company”) in accordance with Chapter 312 of the Texas Tax Code. The tax abatement shall be applied to the extent to which the certified appraised value of the improvements and eligible tangible personal property for each applicable tax year exceeds the certified appraised value of the improvements and eligible tangible personal property for the year in which this Agreement is executed. The Company shall construct an approximately 1.2 million square foot warehouse and distribution facility and commence operation in the Project by no later than October 1, 2020. The Company has agreed to a minimum investment of \$130 million in the project including land, real property improvement, furniture, fixtures, and equipment. By the end of the first full calendar quarter of the second anniversary of the commencement date, the Company shall employ and maintain no less than 300 full time employees with an average employee wage of \$15 per hour and a payroll of at least \$9,360,000 annually. The abatement shall be for a period of 10 years commencing on January 1st of the calendar year immediately following the year in which completion of construction occurs. The Company shall receive a property tax abatement on both the improvements and eligible tangible personal property (excluding inventory) at the rates below. In the event of default by the Company, the applicable amount of property taxes abated during the agreement must be repaid including interest. For fiscal year 2020, the City did not recognize any rebates.

Company	Si Environmental, LLC	Seatex, LLC	OCuSOFT	Wet Sounds, Inc.	Dollar Tree
Duration of Agreement (Tax Years)	2022-2026	2022-2026	2020-2026	2022-2031	2021-2030
% Abated Year One	50%	50%	70%	50%	75%
% Abated Year Two	50%	50%	70%	50%	75%
% Abated Year Three	50%	50%	70%	50%	75%
% Abated Year Four	50%	50%	70%	50%	75%
% Abated Year Five	50%	50%	70%	50%	75%
% Abated Year Six	N/A	N/A	70%	50%	75%
% Abated Year Seven	N/A	N/A	70%	50%	75%
% Abated Year Eight	N/A	N/A	N/A	50%	75%
% Abated Year Nine	N/A	N/A	N/A	50%	75%
% Abated Year Ten	N/A	N/A	N/A	50%	75%

Chapter 380 Sales Tax Abatement Agreement

The City and the RDC entered into an agreement (the “Agreement”) with BMC Texas Sales, LLC (the “Company”) under Chapter 380 of the Texas Local Government Code. The Company has agreed to establish, retain, and operate regional headquarters within the City and employ a minimum of 50 full-time employees. The City and the RDC have no obligation if the aggregate City sales and use tax revenues generated by the Company, and payable to and received by the City from the State Comptroller, is less than \$3,500,000. If the applicable revenues generated exceeds \$3,500,000 for the contract year then the Company will receive a percentage of sales tax rebated from the City’s one percent, and

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2020

the RDC’s one-half of one percent, of sales and use tax based on the table below. The term of the agreement is 10 years with an additional 10 year renewal option that the Company may exercise. If the Company defaults, they will owe the City and the RDC the recapture payment which is the total of the previous two years program grant payments plus interest and any attorney fees. As security for the recapture payment, the Company must provide the City proof of acceptable security annually, such as a letter of credit or a surety bond. For fiscal year 2020, the City rebated \$1,287,177 in sales tax.

Aggregate City Sales and Use Tax Revenue Generated	Percentage of Sales and Use Tax Paid
\$3,500,001 - \$3,999,999	35%
\$4,000,000 - \$4,799,999	40%
\$4,800,000 - \$5,599,999	45%
\$5,600,000 - \$6,399,999	50%
\$6,400,000 and over	55%

G. Subsequent Event

On January 19, 2021, the Council approved to use available funds to defease \$4,730,000 callable debt for combination tax and revenue certificates of obligation, series 2012.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROSENBERG, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Page 1 of 2)
For the Year Ended September 30, 2020

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property taxes	\$ 6,903,700	\$ 6,903,700	\$ 6,932,397	\$ 28,697
Sales taxes	14,185,000	14,289,725	14,701,582	411,857
Franchise fees	1,990,000	1,993,750	1,874,129	(119,621)
Licenses and permits	732,500	823,550	1,061,522	237,972
Fines and forfeitures	484,800	506,800	513,516	6,716
Charges for services	5,528,602	5,577,902	5,586,027	8,125
Intergovernmental	2,514,853	2,514,853	2,924,458	409,605
Investment revenue	345,000	345,000	197,224	(147,776)
Other revenue	215,300	243,100	226,707	(16,393)
Total Revenues	32,899,755	33,198,380	34,017,562	819,182
<u>Expenditures</u>				
General government:				
Mayor and City Council	58,814	58,814	30,251	28,563
City manager	781,776	791,276	717,292	73,984
City secretary	281,493	281,493	269,288	12,205
Finance	726,460	726,460	703,035	23,425
Human resources	361,840	361,840	311,597	50,243
Legal	273,600	274,600	274,104	496
City prosecutor	42,000	50,200	50,200	-
Municipal court	423,694	437,494	436,431	1,063
Technology	497,028	497,028	432,646	64,382
Communications	241,382	243,082	241,883	1,199
Nondepartmental	1,431,252	1,431,252	1,356,761	74,491
Total general government	5,119,339	5,153,539	4,823,488	330,051
Public safety:				
Police and emergency management	10,153,068	10,153,068	9,614,503	538,565
Fire and fire marshal	4,924,878	5,016,903	4,979,287	37,616
Animal control	459,792	487,592	477,489	10,103
School officers and crossing guards	2,157,853	2,157,853	2,025,727	132,126
Total public safety	17,695,591	17,815,416	17,097,006	718,410
Public works:				
Streets and drainage	2,652,457	2,667,957	2,369,358	298,599
Street lighting and signals	523,000	523,000	448,929	74,071
Solid waste	3,500,000	3,541,050	3,541,024	26
Building maintenance	158,246	158,246	152,816	5,430
City engineering	480,000	583,050	582,760	290
Fleet maintenance	423,317	423,317	412,589	10,728
Total public works	7,737,020	7,896,620	7,507,476	389,144

CITY OF ROSENBERG, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Page 2 of 2)
For the Year Ended September 30, 2020

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Expenditures (Continued)</u>				
Community development:				
Planning	\$ 505,365	\$ 505,865	\$ 505,368	\$ 497
Parks and recreation	1,074,776	1,074,776	969,759	105,017
Special event	188,288	188,288	130,537	57,751
Code enforcement	912,515	912,515	808,505	104,010
Public health	186,718	186,718	170,755	15,963
Total community development	<u>2,867,662</u>	<u>2,868,162</u>	<u>2,584,924</u>	<u>283,238</u>
Capital outlay	<u>1,100,000</u>	<u>1,690,738</u>	<u>308,373</u>	<u>1,382,365</u>
Total Expenditures	<u>34,519,612</u>	<u>35,424,475</u>	<u>32,321,267</u>	<u>3,103,208</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,619,857)</u>	<u>(2,226,095)</u>	<u>1,696,295</u>	<u>3,922,390</u>
<u>Other Financing Sources (Uses)</u>				
Insurance proceeds	-	-	54,711	54,711
Transfers in	1,898,946	1,898,946	1,898,940	(6)
Transfers (out)	<u>(2,034,091)</u>	<u>(2,178,102)</u>	<u>(2,138,522)</u>	<u>39,580</u>
Total Other Financing (Uses)	<u>(135,145)</u>	<u>(279,156)</u>	<u>(184,871)</u>	<u>94,285</u>
Net Change in Fund Balance	<u>\$ (1,755,002)</u>	<u>\$ (2,505,251)</u>	1,511,424	<u>\$ 4,016,675</u>
Beginning fund balance			<u>17,775,661</u>	
Ending Fund Balance			<u>\$ 19,287,085</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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CITY OF ROSENBERG, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
RDC PROJECTS - SPECIAL REVENUE FUND
For the Year Ended September 30, 2020

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 2,775,000	\$ 2,775,000	\$ 2,508,398	\$ (266,602)
Investment revenue	60,000	60,000	114,783	54,783
Total Revenues	2,835,000	2,835,000	2,623,181	(211,819)
<u>Expenditures</u>				
Current:				
Community development	-	90,655	10,000	80,655
Capital outlay	2,775,000	8,216,172	1,860,644	6,355,528
Total Expenditures	2,775,000	8,306,827	1,870,644	6,436,183
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	60,000	(5,471,827)	752,537	6,224,364
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	-	(2,385,071)	(2,385,071)	-
Total Other Financing (Uses)	-	(2,385,071)	(2,385,071)	-
Net Change in Fund Balance	\$ 60,000	\$ (7,856,898)	(1,632,534)	\$ 6,224,364
Beginning fund balance			9,627,662	
Ending Fund Balance			\$ 7,995,128	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF ROSENBERG, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2020

	Measurement Year*			
	2019	2018	2017	2016
Total Pension Liability				
Service cost	\$ 2,873,947	\$ 2,657,523	\$ 2,139,697	\$ 2,034,621
Interest (on the total pension liability)	5,229,709	4,973,547	4,383,721	4,180,290
Changes in benefit terms	-	4,750,555	-	-
Difference between expected and actual experience	660,421	(774,670)	69,996	(518,072)
Change in assumptions	411,125	-	-	-
Benefit payments, including refunds of employee contributions	(3,128,444)	(3,210,794)	(2,518,656)	(2,952,510)
Net Change in Total Pension Liability	6,046,758	8,396,161	4,074,758	2,744,329
Beginning total pension liability	77,604,417	69,208,256	65,133,498	62,389,169
Ending Total Pension Liability	\$ 83,651,175	\$ 77,604,417	\$ 69,208,256	\$ 65,133,498
Plan Fiduciary Net Position				
Contributions - employer	\$ 2,798,557	\$ 2,200,858	\$ 1,966,261	\$ 1,928,740
Contributions - employee	1,198,191	987,784	898,292	858,490
Net investment income	9,146,607	(1,828,615)	7,392,526	3,389,430
Benefit payments, including refunds of employee contributions	(3,128,444)	(3,210,794)	(2,518,656)	(2,952,510)
Administrative expense	(51,663)	(35,332)	(383,306)	(38,275)
Other	(1,552)	(1,847)	(1,940)	(2,062)
Net Change in Plan Fiduciary Net Position	9,961,696	(1,887,946)	7,698,177	3,183,813
Beginning plan fiduciary net position	59,141,505	61,029,451	53,331,274	50,147,461
Ending Plan Fiduciary Net Position	\$ 69,103,201	\$ 59,141,505	\$ 61,029,451	\$ 53,331,274
Net Pension Liability	\$ 14,547,974	\$ 18,462,912	\$ 8,178,805	\$ 11,802,224
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.61%	76.21%	88.18%	81.88%
Covered Payroll	\$ 17,117,016	\$ 15,724,990	\$ 14,942,016	\$ 14,308,168
Net Pension Liability as a Percentage of Covered Payroll	84.99%	117.41%	54.74%	82.49%

*Only six years of information is currently available. The City will build this schedule over the next four-year period.

Measurement Year*

	2015		2014
\$	1,995,907	\$	1,665,767
	4,076,807		3,869,483
	-		-
	289,636		(551,553)
	(25,808)		-
	<u>(2,379,033)</u>		<u>(1,994,965)</u>
	3,957,509		2,988,732
	58,431,660		55,442,928
\$	<u><u>62,389,169</u></u>	\$	<u><u>58,431,660</u></u>

\$	1,986,101	\$	1,843,970
	840,382		743,396
	73,296		2,657,661
	(2,379,033)		(1,994,965)
	(44,645)		(27,745)
	<u>(2,205)</u>		<u>(2,281)</u>
	473,896		3,220,036
	49,673,565		46,417,529
\$	<u><u>50,147,461</u></u>	\$	<u><u>49,637,565</u></u>

\$	<u><u>12,241,708</u></u>	\$	<u><u>8,794,095</u></u>
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80.38%	84.95%
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\$	14,006,366	\$	12,383,933
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87.40%	71.01%
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CITY OF ROSENBERG, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2020

	Fiscal Year*			
	2020	2019	2018	2017
Actuarially determined contribution	\$ 2,931,829	\$ 2,697,550	\$ 2,022,036	\$ 1,950,736
Contributions in relation to the actuarially determined contribution	2,931,829	2,697,550	2,022,036	1,950,736
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 18,058,713	\$ 16,468,984	\$ 15,482,968	\$ 14,742,619
Contributions as a percentage of covered payroll	16.23%	16.38%	13.06%	13.23%

*Only six years of information is currently available. The City will build this schedule over the next four-year period.

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years
Asset valuation method	10 year smoothed market; 15% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

3. Other Information:

There were no benefit changes during the year.

Fiscal Year	
2016	2015
\$ 1,941,325	\$ 1,909,555
<u>1,941,325</u>	<u>1,909,555</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 14,230,199	\$ 13,181,944
13.64%	14.49%

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CITY OF ROSENBERG, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFIT
For the Year Ended September 30, 2020

	Measurement Year*		
	2019	2018	2017
Total OPEB Liability			
Service cost	\$ 23,964	\$ 25,160	\$ 20,919
Interest (on the total pension liability)	22,754	21,211	20,658
Difference between expected and actual experience	(13,902)	(18,007)	-
Change in assumptions	139,338	(50,334)	55,204
Benefit payments	(5,135)	(4,717)	(4,483)
Net Change in Total OPEB Liability	16,019	(26,687)	92,298
Beginning total OPEB liability	603,906	630,593	538,295
Ending Total OPEB Liability	\$ 770,925	\$ 603,906	\$ 630,593
Covered Payroll	\$ 17,117,016	\$ 15,724,990	\$ 14,942,016
Total OPEB Liability as a Percentage of Covered Payroll	4.50%	3.84%	4.22%

*Only three years of information are currently available. The City will build this schedule over the next seven-year period.

**Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Notes to Required Supplementary Information:

Valuation Date:

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
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	2.75%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB No. 68.
Mortality - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Other Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

Change in assumptions is the annual change in the municipal bond index rate.

There were no benefit changes during the year.

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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, 2020

	Measurement Year*		
	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 1,014,357	\$ 976,940	\$ 1,035,876
Interest (on the total pension liability)	502,506	655,729	595,478
Difference between expected and actual experience	(788,197)	-	-
Change in assumptions	6,026,783	-	(984,270)
Benefit payments	(500,532)	(500,532)	(461,319)
Net Change in Total OPEB Liability	6,254,917	1,132,137	185,765
Beginning total OPEB liability	17,526,327	16,394,190	16,208,425
Ending Total OPEB Liability	\$ 23,781,244	\$ 17,526,327	\$ 16,394,190
Covered Payroll	\$ 18,357,777	\$ 16,804,153	\$ 21,716,538
Total OPEB Liability as a Percentage of Covered Payroll	129.50%	104.30%	75.49%

*Only three years of information are currently available. The City will build this schedule over the next seven-year period.

Notes to Required Supplementary Information:

Valuation Date:

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 Valuation Date	September 30, 2020
Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.00% including inflation
Discount rate	2.41%
Mortality	General RP-2014 Combined Table projected using MP-2019 was used with no gender roll-forwards or roll-backs.
Healthcare Cost and Trend Rates	Getzen Trend Model. Pre-65 (initial/ultimate) was 6.8%/4.0%. Post-65 (initial/ultimate) was 5.4%/4.0%.
Turnover	Based on City's experience
Retirement	Based on City's experience

Other Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of September 30, 2020.

Change in assumptions for the discount rate decreasing from 3.83% to 2.41%.

There were no benefit changes during the year.

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***COMBINING STATEMENTS
AND SCHEDULES***

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

For the Year Ended September 30, 2020

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 4,379,359	\$ 4,379,359	\$ 4,386,844	\$ 7,485
Intergovernmental	735,860	735,860	735,860	-
Investment revenue	75,000	75,000	69,542	(5,458)
Total Revenues	5,190,219	5,190,219	5,192,246	2,027
Expenditures				
Debt service:				
Principal	6,535,000	6,535,000	6,535,000	-
Interest and fiscal agent fees	1,890,684	1,744,196	1,720,517	23,679
Bond issuance cost	12,000	100,200	126,464	(26,264)
Total Expenditures	8,437,684	8,379,396	8,381,981	(2,585)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,247,465)	(3,189,177)	(3,189,735)	(558)
Other Financing Sources (Uses)				
Refunding bonds issued	-	7,075,000	7,075,000	-
Premium on refunding bonds	-	796,105	827,640	31,535
Payment to refunding bond escrow agent	-	(7,929,393)	(7,930,738)	(1,345)
Transfers in	2,747,466	2,747,466	2,747,466	-
Total Other Financing Sources	2,747,466	2,689,178	2,719,368	30,190
Net Change in Fund Balance	\$ (3,247,465)	\$ (499,999)	(470,367)	\$ 29,632
Beginning fund balance			5,856,536	
Ending Fund Balance			\$ 5,386,169	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF ROSENBERG, TEXAS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Hotel and Motel Occupancy Tax Fund

The Hotel and Motel Occupancy Tax Fund accounts for revenue and expenditures from the City's hotel occupancy tax.

Municipal Court Technology Fund

The Municipal Court Technology Fund revenues are derived from State authorized court fees, which are legally restricted by Article 102.0172 of the Code of Criminal Procedures to certain expenditures. Expenditures for the Municipal Court Technology Fund are restricted to the funding of enhanced technology for the Court.

Beautification Fund

The Beautification Fund revenues consist primarily of contributions made by the City's solid waste collection contractor to be used for beautification and recycling projects.

Law Enforcement Fund

The Law Enforcement Fund revenues are derived from the proceeds of contraband seized by or forfeited to local, State or federal law enforcement officials for activities related to enforcement and abatement of illegal narcotics. Seizure and forfeiture of contraband in Texas is governed by Chapter 59 of the Texas Code of Criminal Procedure. Expenditures are restricted to those types of expenditures, which can be used to improve activities related to the prevention of illegal narcotics use.

Community Development Block Grant Fund

The Community Development Block Grant Fund proceeds are received as a pass through grant from the State of Texas through Fort Bend County. For the past several years, the City of Rosenberg has been using these grant proceeds to reconstruct the sanitary sewer lines and water lines in north Rosenberg.

Police Asset Forfeiture Fund

The Police Asset Forfeiture Fund revenues are derived from the proceeds of assets seized by local and State law enforcement officials for activities related to enforcement and abatement of criminal statutes or from proceeds of assets deemed abandoned or unclaimed property. These funds are classified as revenues under Chapter 18 or Chapter 47 of the Code of Criminal Procedures. Expenditures can be used to improve activities related to general law enforcement programs and law enforcement equipment.

Park Land Dedication Fund

The Park Land Dedication Fund is designed to create new or to upgrade existing parks within the applicable park zones. The funding is derived from developments that are established within the City, which have chosen to give the City funds in-lieu of creating parks within new residential communities. The allocation of these funds is restricted to the zone from which the revenues are derived and must be spent within ten years of being collected.

Juvenile Case Manager Fund

The Juvenile Case Manager Fund revenues are derived from State authorized court fees, which are legally restricted by Article 102.0174 of the Code of Criminal Procedures to certain expenditures. This fund can be used to fund a juvenile case manager.

Municipal Court Child Safety Fund

The Child Safety Fund revenues are derived from State authorized court fees, which are legally restricted by Article 102.014 of the Code of Criminal Procedures to certain expenditures. This fund can only be used to finance programs designed to enhance child safety, health, or nutrition, and include programs for child abuse prevention and intervention, and drug and alcohol abuse prevention.

Municipal Court Building Security Fund

The Building Security Fund revenues are derived from State authorized court fees, which are legally restricted by Article 102.017 of the Code of Criminal Procedures to certain expenditures. This fund can only be used to finance security personnel for Municipal Court

MUD Fire Services Fund

The MUD Fire Services Fund revenues consist primarily of contributions made by the Municipal Utility Districts in the ETJ that have approved Fire Service Agreements with the City of Rosenberg.

CITY OF ROSENBERG, TEXAS

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Police Federal Forfeiture Fund

The Police Asset Forfeiture Fund revenues are derived from the proceeds of assets seized by federal law enforcement officials that are transferred to any State or local law enforcement agency that directly participated in an investigation or prosecution that resulted in a federal forfeiture. The U.S. Department of Justice Asset Forfeiture Program is a nationwide law enforcement initiative that helps deter crime and fosters cooperation among federal, State, and local law enforcement agencies. The Department of Justice administers the Equitable Sharing Program and requires each agency to comply with guidelines by completing a yearly Equitable Sharing Agreement and Certification every year the agency receives funds. Expenditures can be used to improve activities related to general law enforcement programs and law enforcement equipment.

Fire Station Number 3 Operating Fund

The Fire Station No. 3 Operating Fund has been established to separate the annual operating costs for Fire Station No. 3 from the General Fund Fire Department Budget. Revenues from the General Fund and the MUD Fire Services Fund provide funds to operate Fire Station No. 3. This fund enables the City to conduct the administrative review which is required by the Fire Service Agreements.

Cable PEG Fees Fund

The PEG Capital Fund was created to account for the 1% Public, Educational or Governmental (PEG) fee that began to be collected and remitted by franchised cable television providers in the City of Rosenberg pursuant to the State of Texas cable franchise effective January 1, 2012. These funds are restricted to fund capital expenditures associated with the City's municipal cable channel and programming.

CAPITAL PROJECTS FUNDS

2014 General Obligation

This fund is used to account for the Dry Creek Drainage Project.

2015 Certificates of Obligation

This fund is used to account for improvements to Old Richmond Rd/Avenue F, Chloramine Conversion Project, Water Plant No. 8, Lift Station No. 2 replacement and the Sanitary Sewer Pipe Bursting Project.

Operating Projects

This fund is used to account for the one-time supplemental requests and improvements that are to be funded by the General Fund.

Bamore Road County Mobility Project

This fund is used to account for the County Mobility Projects.

Spacek Road County Mobility Project

This fund is used to account for the Spacek Road County Mobility Project.

2016 Certificates of Obligation

This fund is used to account for improvements to Bryan Road, Spacek Road, and Sanitary Sewer Pipe Bursting Project.

2017 Certificates of Obligation

This fund is used to account for improvements to roads, Spacek Road, Railroad Quiet Zones, Park Place/Fairgrounds and Sanitary Sewer projects.

Bryan Road County Mobility Project

This fund is used to account for the Bryan Road County Mobility Project.

CITY OF ROSENBERG, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 3)
September 30, 2020

Special Revenue Funds

	Hotel and Motel Occupancy Tax	Municipal Court Technology	Beautification	Law Enforcement
<u>Assets</u>				
Cash and cash equivalents	\$ 923,670	\$ 2,160	\$ 177,639	\$ 589,902
Receivables, net	31,949	-	-	6,851
Prepaid items	132	-	-	-
Total Assets	\$ 955,751	\$ 2,160	\$ 177,639	\$ 596,753
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 19,703	\$ -	\$ 57	\$ 30,762
Total Liabilities	19,703	-	57	30,762
Fund balances:				
Nonspendable:				
Prepays	132	-	-	-
Restricted for:				
Public safety	-	2,160	-	565,991
Parks	-	-	177,582	-
Tourism	935,916	-	-	-
Governmental programming	-	-	-	-
Capital projects	-	-	-	-
Committed for:				
Capital projects	-	-	-	-
Total Fund Balances	936,048	2,160	177,582	565,991
Total Liabilities and Fund Balances	\$ 955,751	\$ 2,160	\$ 177,639	\$ 596,753

Special Revenue Funds

Community Development Block Grant	Police Asset Forfeiture	Park Land Dedication	Juvenile Case Manager	Municipal Court Child Safety	Municipal Court Building Security
\$ 256,665	\$ 50,574	\$ 702,830	\$ 149,972	\$ 221,720	\$ 6,637
63,766	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 320,431</u>	<u>\$ 50,574</u>	<u>\$ 702,830</u>	<u>\$ 149,972</u>	<u>\$ 221,720</u>	<u>\$ 6,637</u>
\$ 10,345	\$ 11,253	\$ -	\$ 109	\$ 2,661	\$ -
<u>10,345</u>	<u>11,253</u>	<u>-</u>	<u>109</u>	<u>2,661</u>	<u>-</u>
-	-	-	-	-	-
-	39,321	-	149,863	219,059	6,637
-	-	702,830	-	-	-
-	-	-	-	-	-
310,086	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>310,086</u>	<u>39,321</u>	<u>702,830</u>	<u>149,863</u>	<u>219,059</u>	<u>6,637</u>
<u>\$ 320,431</u>	<u>\$ 50,574</u>	<u>\$ 702,830</u>	<u>\$ 149,972</u>	<u>\$ 221,720</u>	<u>\$ 6,637</u>

CITY OF ROSENBERG, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 3)
September 30, 2020

Special Revenue Funds

	MUD Fire Services	Police Federal Forfeiture	Fire Station Number 3 Operating	Cable PEG Fees
Assets				
Cash and cash equivalents	\$ 469,476	\$ 211,377	\$ 131,696	\$ 272,543
Receivables, net	-	6,045	3,240	13,585
Prepaid items	-	-	845	-
Total Assets	\$ 469,476	\$ 217,422	\$ 135,781	\$ 286,128
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 102,185	\$ 478
Total Liabilities	-	-	102,185	478
Fund balances:				
Nonspendable:				
Prepays	-	-	845	-
Restricted for:				
Public safety	469,476	217,422	32,751	-
Parks	-	-	-	-
Tourism	-	-	-	-
Governmental programming	-	-	-	-
Capital projects	-	-	-	285,650
Committed for:				
Capital projects	-	-	-	-
Total Fund Balances	469,476	217,422	33,596	285,650
Total Liabilities and Fund Balances	\$ 469,476	\$ 217,422	\$ 135,781	\$ 286,128

Capital Projects Funds

2014 General Obligation	2015 Certificates of Obligation	Operating Projects	Bamore Road County Mobility Project	Space Road County Mobility Project	2016 Certificates of Obligation
\$ 919,768	\$ -	\$ 2,449,912	\$ 2,544,779	\$ 95,769	\$ -
-	-	231,327	-	238,570	-
-	-	-	-	-	-
<u>\$ 919,768</u>	<u>\$ -</u>	<u>\$ 2,681,239</u>	<u>\$ 2,544,779</u>	<u>\$ 334,339</u>	<u>\$ -</u>
\$ 216,534	\$ -	\$ 69,465	\$ -	\$ -	\$ -
<u>216,534</u>	<u>-</u>	<u>69,465</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
703,234	-	-	2,544,779	334,339	-
-	-	2,611,774	-	-	-
<u>703,234</u>	<u>-</u>	<u>2,611,774</u>	<u>2,544,779</u>	<u>334,339</u>	<u>-</u>
<u>\$ 919,768</u>	<u>\$ -</u>	<u>\$ 2,681,239</u>	<u>\$ 2,544,779</u>	<u>\$ 334,339</u>	<u>\$ -</u>

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CITY OF ROSENBERG, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Page 3 of 3)
September 30, 2020

	Capital Projects Funds		
	2017 Certificates of Obligation	Bryan Road County Mobility Project	Total Nonmajor Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 5,004,899	\$ -	\$ 15,181,988
Receivables, net	-	-	595,333
Prepaid items	-	-	977
Total Assets	\$ 5,004,899	\$ -	\$ 15,778,298
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 402,048	\$ -	\$ 865,600
Total Liabilities	402,048	-	865,600
Fund balances:			
Nonspendable:			
Prepays	-	-	977
Restricted for:			
Public safety	-	-	1,702,680
Parks	-	-	880,412
Tourism	-	-	935,916
Governmental programming	-	-	310,086
Capital projects	4,602,851	-	8,470,853
Committed for:			
Capital projects	-	-	2,611,774
Total Fund Balances	4,602,851	-	14,912,698
Total Liabilities and Fund Balances	\$ 5,004,899	\$ -	\$ 15,778,298

CITY OF ROSENBERG, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Page 1 of 3)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

Special Revenue Funds

	Hotel and Motel Occupancy Tax	Municipal Court Technology	Beautification	Law Enforcement
Revenues				
Franchise fees	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	422,436	-	-	-
Fines and forfeitures	-	17,388	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	247,243
Investment revenue	12,352	97	2,062	5,826
Other revenue	530	-	26,000	-
Total Revenues	435,318	17,485	28,062	253,069
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	15,374	-	142,865
Economic development	149,483	-	8,716	-
Capital outlay	408	-	-	-
Total Expenditures	149,891	15,374	8,716	142,865
Excess (Deficiency) of Revenues Over (Under) Expenditures	285,427	2,111	19,346	110,204
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	(494,664)	-	-	-
Total Other Financing Sources (Uses)	(494,664)	-	-	-
Net Change in Fund Balances	(209,237)	2,111	19,346	110,204
Beginning fund balances	1,145,285	49	158,236	455,787
Ending Fund Balances	\$ 936,048	\$ 2,160	\$ 177,582	\$ 565,991

Special Revenue Funds

Community Development Block Grant	Police Asset Forfeiture	Park Land Dedication	Juvenile Case Manager	Municipal Court Child Safety	Municipal Court Building Security
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	22,072	44,631	15,685
-	-	-	-	-	-
386,982	-	-	-	-	-
-	621	7,947	1,893	2,628	-
-	6,094	110,070	-	-	44
<u>386,982</u>	<u>6,715</u>	<u>118,017</u>	<u>23,965</u>	<u>47,259</u>	<u>15,729</u>
-	-	-	-	25,461	-
-	6,326	-	-	-	-
-	-	-	-	-	-
-	-	34,006	-	-	-
<u>-</u>	<u>6,326</u>	<u>34,006</u>	<u>-</u>	<u>25,461</u>	<u>-</u>
386,982	389	84,011	23,965	21,798	15,729
-	-	-	-	-	-
(406,214)	-	-	(33,634)	(7,800)	(10,000)
<u>(406,214)</u>	<u>-</u>	<u>-</u>	<u>(33,634)</u>	<u>(7,800)</u>	<u>(10,000)</u>
(19,232)	389	84,011	(9,669)	13,998	5,729
<u>329,318</u>	<u>38,932</u>	<u>618,819</u>	<u>159,532</u>	<u>205,061</u>	<u>908</u>
<u>\$ 310,086</u>	<u>\$ 39,321</u>	<u>\$ 702,830</u>	<u>\$ 149,863</u>	<u>\$ 219,059</u>	<u>\$ 6,637</u>

CITY OF ROSENBERG, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Page 2 of 3)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

Special Revenue Funds

	<u>MUD Fire Services</u>	<u>Police Federal Forfeiture</u>	<u>Fire Station Number 3 Operating</u>	<u>Cable PEG Fees</u>
Revenues				
Franchise fees	\$ -	\$ -	\$ -	\$ 55,618
Hotel occupancy tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	1,264,270	26,694	3,240	-
Investment revenue	6,400	2,626	894	2,958
Other revenue	-	-	-	-
Total Revenues	<u>1,270,670</u>	<u>29,320</u>	<u>4,134</u>	<u>58,576</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	30,545	1,497,599	-
Economic development	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,857</u>
Total Expenditures	<u>-</u>	<u>30,545</u>	<u>1,497,599</u>	<u>1,857</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,270,670</u>	<u>(1,225)</u>	<u>(1,493,465)</u>	<u>56,719</u>
Other Financing Sources (Uses)				
Transfers in	-	-	1,507,615	-
Transfers (out)	(1,413,146)	-	-	-
Total Other Financing Sources (Uses)	<u>(1,413,146)</u>	<u>-</u>	<u>1,507,615</u>	<u>-</u>
Net Change in Fund Balances	(142,476)	(1,225)	14,150	56,719
Beginning fund balances	611,952	218,647	19,446	228,931
Ending Fund Balances	<u>\$ 469,476</u>	<u>\$ 217,422</u>	<u>\$ 33,596</u>	<u>\$ 285,650</u>

Capital Projects Funds

2014 General Obligation	2015 Certificates of Obligation	Operating Projects	Bamore Road County Mobility Project	Space Road County Mobility Project	2016 Certificates of Obligation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	465,032	-	238,570	-
10,964	1,760	29,525	-	6,977	8,766
-	-	-	-	-	-
<u>10,964</u>	<u>1,760</u>	<u>494,557</u>	<u>-</u>	<u>245,547</u>	<u>8,766</u>
-	-	484,661	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
221,639	35,261	821,072	-	1,306,017	672,895
<u>221,639</u>	<u>35,261</u>	<u>1,305,733</u>	<u>-</u>	<u>1,306,017</u>	<u>672,895</u>
(210,675)	(33,501)	(811,176)	-	(1,060,470)	(664,129)
-	-	1,961,561	-	-	-
-	(166,560)	-	-	-	(283,171)
-	(166,560)	1,961,561	-	-	(283,171)
(210,675)	(200,061)	1,150,385	-	(1,060,470)	(947,300)
913,909	200,061	1,461,389	2,544,779	1,394,809	947,300
<u>\$ 703,234</u>	<u>\$ -</u>	<u>\$ 2,611,774</u>	<u>\$ 2,544,779</u>	<u>\$ 334,339</u>	<u>\$ -</u>

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CITY OF ROSENBERG, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Page 3 of 3)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	Capital Projects Funds		
	2017 Certificates of Obligation	Bryan Road County Mobility Project	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Franchise fees	\$ -	\$ -	\$ 55,618
Hotel occupancy tax	-	-	422,436
Fines and forfeitures	-	-	99,776
Charges for services	-	-	-
Intergovernmental	-	-	2,632,031
Investment revenue	70,400	-	174,696
Other revenue	-	-	142,738
	Total Revenues	-	3,527,295
<u>Expenditures</u>			
Current:			
General government	-	-	510,122
Public safety	-	-	1,692,709
Economic development	-	-	158,199
Capital outlay	827,235	172,254	4,092,644
	Total Expenditures	172,254	6,453,674
	Excess (Deficiency) of Revenues Over (Under) Expenditures	(172,254)	(2,926,379)
	(756,835)	(172,254)	(2,926,379)
<u>Other Financing Sources (Uses)</u>			
Transfers in	-	-	3,469,176
Transfers (out)	(1,940,443)	-	(4,755,632)
Total Other Financing Sources (Uses)	(1,940,443)	-	(1,286,456)
	Net Change in Fund Balances	(172,254)	(4,212,835)
	(2,697,278)	(172,254)	(4,212,835)
Beginning fund balances	7,300,129	172,254	19,125,533
	Ending Fund Balances	-	\$ 14,912,698
	\$ 4,602,851	\$ -	\$ 14,912,698

CITY OF ROSENBERG, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2020

Hotel and Motel Occupancy Tax				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Hotel and Motel taxes	\$ 525,000	\$ 525,000	\$ 422,436	\$ (102,564)
Investment earnings	20,000	20,000	12,352	(7,648)
Other revenue	6,000	6,000	530	(5,470)
Total Revenues	551,000	551,000	435,318	(115,682)
Expenditures				
Current:				
Economic development	322,827	322,827	149,483	173,344
Capital outlay	-	200,000	408	199,592
Total Expenditures	322,827	522,827	149,891	372,936
Excess of Revenues Over Expenditures	228,173	28,173	285,427	257,254
Other Financing Sources (Uses)				
Transfers (out)	(494,664)	(494,664)	(494,664)	-
Total Other Financing (Uses)	(494,664)	(494,664)	(494,664)	-
Net Change in Fund Balance	\$ (266,491)	\$ (466,491)	(209,237)	\$ 257,254
Beginning fund balance			1,145,285	
Ending Fund Balance			\$ 936,048	

Municipal Court Technology				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 18,050	\$ 18,050	\$ 17,388	\$ (662)
Investment earnings	100	100	97	(3)
Total Revenues	18,150	18,150	17,485	(665)
Expenditures				
Current:				
Public safety	18,789	18,789	15,374	3,415
Total Expenditures	18,789	18,789	15,374	3,415
Net Change in Fund Balance	\$ (639)	\$ (639)	2,111	\$ 2,750
Beginning fund balance			49	
Ending Fund Balance			\$ 2,160	

CITY OF ROSENBERG, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (Continued)
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended September 30, 2020

Beautification				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ 1,500	\$ 1,500	\$ 2,062	\$ 562
Other revenue	24,000	24,000	26,000	2,000
Total Revenues	25,500	25,500	28,062	2,562
Expenditures				
Current:				
Economic development	10,500	19,500	8,716	10,784
Total Expenditures	10,500	19,500	8,716	10,784
Net Change in Fund Balance	\$ 15,000	\$ 6,000	19,346	\$ 13,346
Beginning fund balance			158,236	
Ending Fund Balance			\$ 177,582	
Law Enforcement				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 24,000	\$ 24,000	\$ 247,243	\$ 223,243
Investment earnings	2,000	2,000	5,826	3,826
Total Revenues	26,000	26,000	253,069	227,069
Expenditures				
Current:				
Public safety	175,000	211,780	142,865	68,915
Total Expenditures	175,000	211,780	142,865	68,915
Net Change in Fund Balance	\$ (149,000)	\$ (185,780)	110,204	\$ 295,984
Beginning fund balance			455,787	
Ending Fund Balance			\$ 565,991	

CITY OF ROSENBERG, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2020

Community Development Block Grant				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 386,982	\$ (213,018)
Total Revenues	600,000	600,000	386,982	(213,018)
<u>Expenditures</u>				
Current:				
Capital outlay	600,000	689,625	-	689,625
Total Expenditures	600,000	689,625	-	689,625
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(89,625)	386,982	476,607
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	-	(415,649)	(406,214)	9,435
Total Other Financing (Uses)	-	(415,649)	(406,214)	9,435
Net Change in Fund Balance	\$ -	\$ (505,274)	(19,232)	\$ 486,042
Beginning fund balance			329,318	
Ending Fund Balance			\$ 310,086	

Police Asset Forfeiture				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Investment earnings	\$ 500	\$ 500	\$ 621	\$ 121
Other revenue	-	-	6,094	6,094
Total Revenues	500	500	6,715	6,215
<u>Expenditures</u>				
Current:				
Public safety	10,000	10,000	6,326	3,674
Total Expenditures	10,000	10,000	6,326	3,674
Net Change in Fund Balance	\$ (9,500)	\$ (9,500)	389	\$ 9,889
Beginning fund balance			38,932	
Ending Fund Balance			\$ 39,321	

CITY OF ROSENBERG, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2020

Park Land Dedication				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ 5,000	\$ 5,000	\$ 7,947	\$ 2,947
Other revenues	5,000	5,000	110,070	105,070
Total Revenues	10,000	10,000	118,017	108,017
Expenditures				
Current:				
Capital outlay	41,000	62,213	34,006	28,207
Total Expenditures	41,000	62,213	34,006	28,207
Net Change in Fund Balance	\$ (31,000)	\$ (52,213)	84,011	\$ 136,224
Beginning fund balance			618,819	
Ending Fund Balance			\$ 702,830	

Juvenile Case Manager				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 23,000	\$ 23,000	\$ 22,072	\$ (928)
Investment earnings	1,000	1,000	1,893	893
Total Revenues	24,000	24,000	23,965	(35)
Expenditures				
Current:				
Public safety	2,000	2,000	-	2,000
Total Expenditures	2,000	2,000	-	2,000
Excess of Revenues Over Expenditures	22,000	22,000	23,965	1,965
Other Financing Sources (Uses)				
Transfers (out)	(33,643)	(33,643)	(33,634)	9
Total Other Financing (Uses)	(33,643)	(33,643)	(33,634)	9
Net Change in Fund Balance	\$ (11,643)	\$ (11,643)	(9,669)	\$ 1,974
Beginning fund balance			159,532	
Ending Fund Balance			\$ 149,863	

CITY OF ROSENBERG, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2020

Municipal Court Child Safety				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 41,000	\$ 41,000	\$ 44,631	\$ 3,631
Investment earnings	1,000	1,000	2,628	1,628
Total Revenues	42,000	42,000	47,259	5,259
Expenditures				
Current:				
General government	53,000	53,000	25,461	27,539
Total Expenditures	53,000	53,000	25,461	27,539
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,000)	(11,000)	21,798	32,798
Other Financing Sources (Uses)				
Transfers in	(7,800)	(7,800)	(7,800)	-
Total Other Financing (Uses)	(7,800)	(7,800)	(7,800)	-
Net Change in Fund Balance	\$ (18,800)	\$ (18,800)	13,998	\$ 32,798
Beginning fund balance			205,061	
Ending Fund Balance			\$ 219,059	

Municipal Court Building Security				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 15,685	\$ 5,685
Other revenue	-	-	44	44
Total Revenues	10,000	10,000	15,729	5,729
Excess of Revenues Over Expenditures	10,000	10,000	15,729	5,729
Other Financing Sources (Uses)				
Transfers (out)	(10,000)	(10,000)	(10,000)	-
Total Other Financing (Uses)	(10,000)	(10,000)	(10,000)	-
Net Change in Fund Balance	\$ -	\$ -	5,729	\$ 5,729
Beginning fund balance			908	
Ending Fund Balance			\$ 6,637	

CITY OF ROSENBERG, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2020

MUD Fire				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Charges for services	\$ 1,175,000	\$ 1,175,000	\$ 1,264,270	\$ 89,270
Investment earnings	6,000	6,000	6,400	400
Total Revenues	1,181,000	1,181,000	1,270,670	89,670
Excess of Revenues Over Expenditures				
	1,181,000	1,181,000	1,270,670	89,670
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(1,383,146)	(1,413,146)	(1,413,146)	-
Total Other Financing (Uses)	(1,383,146)	(1,413,146)	(1,413,146)	-
Net Change in Fund Balance	\$ (202,146)	\$ (232,146)	(142,476)	\$ 89,670
Beginning fund balance			611,952	
Ending Fund Balance			\$ 469,476	

Police Federal Forfeiture				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 24,520	\$ 24,520	\$ 26,694	\$ 2,174
Investment earnings	1,000	1,000	2,626	1,626
Total Revenues	25,520	25,520	29,320	3,800
<u>Expenditures</u>				
Current:				
Public safety	35,000	35,000	30,545	4,455
Total Expenditures	35,000	35,000	30,545	4,455
Net Change in Fund Balance	\$ (9,480)	\$ (9,480)	(1,225)	\$ 8,255
Beginning fund balance			218,647	
Ending Fund Balance			\$ 217,422	

CITY OF ROSENBERG, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2020

Fire Station #3				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 3,240	\$ 3,240
Investment earnings	800	800	894	94
Total Revenues	800	800	4,134	3,334
Expenditures				
Current:				
Public safety	1,473,972	1,503,972	1,497,599	6,373
Total Expenditures	1,473,972	1,503,972	1,497,599	6,373
(Deficiency) of Revenues (Under) Expenditures	(1,473,172)	(1,503,172)	(1,493,465)	9,707
Other Financing Sources				
Transfers in	1,477,615	1,507,615	1,507,615	-
Total Other Financing Sources	1,477,615	1,507,615	1,507,615	-
Net Change in Fund Balance	\$ 4,443	\$ 4,443	14,150	\$ 9,707
Beginning fund balance			19,446	
Ending Fund Balance			\$ 33,596	

Cable PEG Fees				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Franchise fees	\$ 57,000	\$ 57,000	\$ 55,618	\$ (1,382)
Investment earnings	1,000	1,000	2,958	1,958
Total Revenues	58,000	58,000	58,576	576
Expenditures				
Current:				
Capital outlay	15,000	15,000	1,857	13,143
Total Expenditures	15,000	15,000	1,857	13,143
Net Change in Fund Balance	\$ 43,000	\$ 43,000	56,719	\$ 13,719
Beginning fund balance			228,931	
Ending Fund Balance			\$ 285,650	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF ROSENBERG, TEXAS
COMBINING STATEMENT OF NET POSITIONS
INTERNAL SERVICE FUNDS
September 30, 2020

	<u>Health Insurance</u>	<u>Fleet Replacement</u>	<u>Information Services</u>	<u>Total Internal Service Funds</u>
<u>Assets</u>				
Current assets				
Cash and cash equivalents	\$ 641,023	\$ 5,458,695	\$ 180,620	\$ 6,280,338
Accounts receivable	-	2,794	-	2,794
Prepaid expense	-	-	22,667	22,667
Total Current Assets	<u>641,023</u>	<u>5,461,489</u>	<u>203,287</u>	<u>6,305,799</u>
Noncurrent assets				
Capital assets:				
Machinery and equipment	-	5,007,661	725,218	5,732,879
Less accumulated depreciation	-	(3,648,766)	(667,537)	(4,316,303)
Total Capital Assets (Net)	<u>-</u>	<u>1,358,895</u>	<u>57,681</u>	<u>1,416,576</u>
Total Noncurrent Assets	<u>-</u>	<u>1,358,895</u>	<u>57,681</u>	<u>1,416,576</u>
Total Assets	<u>\$ 641,023</u>	<u>\$ 6,820,384</u>	<u>\$ 260,968</u>	<u>\$ 7,722,375</u>
<u>Liabilities</u>				
Current liabilities				
Accounts payable and accrued liabilities	\$ 2,715	\$ -	\$ 73,509	\$ 76,224
Total Current Liabilities	<u>2,715</u>	<u>-</u>	<u>73,509</u>	<u>76,224</u>
Total Liabilities	<u>2,715</u>	<u>-</u>	<u>73,509</u>	<u>76,224</u>
<u>Net Position</u>				
Net investment in capital assets	-	1,358,895	57,681	1,416,576
Unrestricted net position	638,308	5,461,489	129,778	6,229,575
Total Net Position	<u>\$ 638,308</u>	<u>\$ 6,820,384</u>	<u>\$ 187,459</u>	<u>\$ 7,646,151</u>

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CITY OF ROSENBERG, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITIONS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2020

	<u>Health Insurance</u>	<u>Fleet Replacement</u>	<u>Information Services</u>	<u>Total Internal Service Funds</u>
<u>Operating Revenues</u>				
Changes for services	\$ 4,053,520	\$ 757,546	\$ 959,251	\$ 5,770,317
Total Operating Revenues	<u>4,053,520</u>	<u>757,546</u>	<u>959,251</u>	<u>5,770,317</u>
<u>Operating Expenses</u>				
Cost of sales and services	4,072,701	22,110	893,147	4,987,958
Depreciation	-	351,235	20,570	371,805
Total Operating Expenses	<u>4,072,701</u>	<u>373,345</u>	<u>913,717</u>	<u>5,359,763</u>
Operating Income (Loss)	<u>(19,181)</u>	<u>384,201</u>	<u>45,534</u>	<u>410,554</u>
<u>Nonoperating Revenues (Expenses)</u>				
Investment revenue	3,585	61,464	1,345	66,394
Total Nonoperating Revenues	<u>3,585</u>	<u>61,464</u>	<u>1,345</u>	<u>66,394</u>
Change in Net Position	(15,596)	445,665	46,879	476,948
Beginning net position	653,904	6,374,719	140,580	7,169,203
Ending Net Position	<u>\$ 638,308</u>	<u>\$ 6,820,384</u>	<u>\$ 187,459</u>	<u>\$ 7,646,151</u>

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CITY OF ROSENBERG, TEXAS

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the Year Ended September 30, 2020

	<u>Health Insurance</u>	<u>Fleet Replacement</u>	<u>Information Services</u>	<u>Internal Service Funds</u>
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ 4,354,039	\$ 760,340	\$ 940,934	\$ 6,055,313
Payments to suppliers	(4,071,049)	(22,110)	(868,083)	(4,961,242)
Net Cash Provided By Operating Activities	<u>282,990</u>	<u>738,230</u>	<u>72,851</u>	<u>1,094,071</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Purchases of equipment	-	(44,909)	-	(44,909)
Net Cash (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(44,909)</u>	<u>-</u>	<u>(44,909)</u>
<u>Cash Flows from Investing Activities</u>				
Interest on investments	3,585	61,464	1,345	66,394
Net Cash Provided by Investing Activities	<u>3,585</u>	<u>61,464</u>	<u>1,345</u>	<u>66,394</u>
Net Increase in Cash and Cash Equivalents				
Cash and cash equivalents, beginning of year	286,575	754,785	74,196	1,115,556
	<u>354,448</u>	<u>4,703,910</u>	<u>106,424</u>	<u>5,164,782</u>
Ending Cash and Cash Equivalents	<u>\$ 641,023</u>	<u>\$ 5,458,695</u>	<u>\$ 180,620</u>	<u>\$ 6,280,338</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ (19,181)	\$ 384,201	\$ 45,534	\$ 410,554
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	351,235	20,570	371,805
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in Current Assets:				
Other receivables	-	2,794	-	2,794
Prepaid items	300,519	-	(18,317)	282,202
Increase (Decrease) in Current Liabilities:				
Accounts payable and accrued liabilities	<u>1,652</u>	<u>-</u>	<u>25,064</u>	<u>26,716</u>
Net Cash Provided by Operating Activities	<u>\$ 282,990</u>	<u>\$ 738,230</u>	<u>\$ 72,851</u>	<u>\$ 1,094,071</u>

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STATISTICAL SECTION

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 government's overall financial health.

Contents	Page
Financial Trends	130
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	142
<i>These schedules contain information to help the reader assess the government's most significant local revenue sources, sales and property tax.</i>	
Debt Capacity	154
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	167
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	172
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports from the relevant year.

CITY OF ROSENBERG, TEXAS

NET POSITION BY COMPONENT

Last Ten Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2011	2012	2013	2014
Governmental Activities				
Net investment in capital assets	\$ 25,930,436	\$ 37,091,238	\$ 37,219,927	\$ 39,982,793
Restricted	7,651,906	9,305,959	10,581,044	14,669,152
Unrestricted	15,998,818	14,680,942	14,761,496	15,078,116
Total Governmental Activities Net Position	\$ 49,581,160	\$ 61,078,139	\$ 62,562,467	\$ 69,730,061
Business-Type Activities				
Net investment in capital assets	\$ 39,951,294	\$ 39,617,050	\$ 43,565,861	\$ 44,504,314
Unrestricted	9,504,355	11,765,919	13,550,817	16,455,829
Total Business-Type Activities Net Position	\$ 49,455,649	\$ 51,382,969	\$ 57,116,678	\$ 60,960,143
Primary Government				
Net investment in capital assets	\$ 65,881,730	\$ 76,708,288	\$ 80,785,788	\$ 84,487,107
Restricted	7,651,906	9,305,959	10,581,044	14,669,152
Unrestricted	25,503,173	26,446,861	28,312,313	31,533,945
Total Primary Government Net Position	\$ 99,036,809	\$ 112,461,108	\$ 119,679,145	\$ 130,690,204

Note: *Prior period adjustment for GASB 75.

**Amounts reclassified to add back unspent bond proceeds previously not included in the net investment in capital assets calculation. A reclass was also made for restricted for capital project fund balance that was rolling into unrestricted net position at the government-wide level.

Fiscal Year

2015	2016	2017	2018*	2019**	2020
\$ 45,031,276	\$ 44,536,858	\$ 39,787,127	\$ 40,381,422	\$ 50,383,520	\$ 54,626,678
11,657,814	13,429,994	17,217,918	21,514,250	23,769,902	20,375,159
10,601,523	9,022,275	10,315,556	6,875,808	(3,291,936)	(2,925,417)
<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>	<u>\$ 72,076,420</u>
\$ 50,564,934	\$ 56,850,394	\$ 64,082,657	\$ 65,482,173	\$ 68,980,345	\$ 74,479,660
18,695,727	18,458,460	19,188,387	19,775,612	24,727,363	24,523,515
<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>	<u>\$ 99,003,175</u>
\$ 95,596,210	\$ 101,387,252	\$ 103,869,784	\$ 105,863,595	\$ 119,363,865	\$ 129,106,338
11,657,814	13,429,994	17,217,918	21,514,250	23,769,902	20,375,159
29,297,250	27,480,735	29,503,943	26,651,420	21,435,427	21,598,098
<u>\$ 136,551,274</u>	<u>\$ 142,297,981</u>	<u>\$ 150,591,645</u>	<u>\$ 154,029,265</u>	<u>\$ 164,569,194</u>	<u>\$ 171,079,595</u>

CITY OF ROSENBERG, TEXAS

CHANGES IN NET POSITION

Last Ten Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental Activities				
General government	\$ 6,264,102	\$ 3,573,695	\$ 4,208,848	\$ 3,995,452
Public safety	11,079,052	11,487,867	12,043,046	13,430,159
Public works	7,714,821	7,054,048	7,264,024	7,236,352
Community development	1,966,684	2,887,685	2,866,455	2,616,778
Interest on long-term debt	2,109,455	2,005,530	2,194,440	2,039,639
Debt issuance costs	-	-	-	128,148
Total Governmental Activities Expenses	\$29,134,114	\$27,008,825	28,576,813	\$29,446,528
Business-Type Activities				
Water and wastewater	6,366,473	6,870,352	7,236,812	7,163,452
Civic center rentals	-	-	-	391,242
Total Business-Type Activities Expenses	6,366,473	6,870,352	7,236,812	7,554,694
Total Primary Government Expenses	\$ 35,500,587	\$ 33,879,177	\$ 35,813,625	\$ 37,001,222
Program Revenues				
Governmental Activities				
Charges for Services				
General government	\$ 915,567	\$ 987,095	\$ 927,203	\$ 850,652
Public safety	136,915	1,423,286	1,588,845	1,953,287
Public works	3,929,779	4,327,317	4,048,440	4,386,859
Community development	32,023	140,449	187,720	104,582
Operating grants and contributions	2,904,132	311,124	289,050	187,547
Capital grants and contributions	2,820,234	1,598,036	2,770,160	5,028,824
Total Governmental Activities Program Revenues	10,738,650	8,787,307	9,811,418	12,511,751
Business-Type Activities				
Charges for services				
Water	5,038,411	5,970,615	6,319,988	6,803,044
Wastewater	4,935,437	4,453,529	4,712,109	5,058,751
Civic center rentals	-	-	-	115,780
Operating grants and contributions	-	68,666	282,696	3,997
Capital grants and contributions	467,393	412,122	525,482	517,470
Total Business-Type Activities Program Revenues	10,441,241	10,904,932	11,840,275	12,499,042
Total Primary Government Program Revenues	\$ 21,179,891	\$ 19,692,239	\$ 21,651,693	\$ 25,010,793
Net (Expense)/Revenue				
Governmental activities	\$ (18,395,464)	\$ (18,221,518)	\$ (18,765,395)	\$ (16,934,777)
Business-type activities	4,074,768	4,034,580	4,603,463	4,944,348
Total Primary Government Net Expense	\$ (14,320,696)	\$ (14,186,938)	\$ (14,161,932)	\$ (11,990,429)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 4,504,358	\$ 5,350,906	\$ 4,446,334	\$ 5,539,396	\$ 6,562,067	\$ 6,302,066
13,688,321	15,997,582	17,405,764	17,388,136	21,781,177	19,633,193
7,962,151	9,224,710	9,408,265	12,564,950	11,988,077	11,731,795
3,037,820	3,704,464	3,885,492	3,093,782	3,878,243	3,992,827
2,095,192	2,140,471	2,362,480	2,311,732	1,716,802	1,356,873
65,849	85,470	-	-	-	-
<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>	<u>43,016,754</u>
7,862,720	9,445,663	10,386,479	10,898,020	13,586,594	13,614,540
403,256	294,626	333,868	479,223	222,330	341,085
<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>13,955,625</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>	<u>\$ 56,972,379</u>
\$ 895,956	\$ 842,483	\$ 938,557	\$ 956,304	\$ 862,313	\$ 907,948
2,220,117	2,251,968	2,477,945	2,922,656	3,555,298	3,706,558
4,751,892	4,693,162	4,977,523	5,333,801	5,778,800	6,129,357
34,992	29,291	31,481	27,671	25,005	9,275
252,706	184,004	693,220	1,042,181	742,504	1,366,547
4,433,455	4,181,490	4,827,839	7,013,826	9,532,748	3,876,159
<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>	<u>15,995,844</u>
8,125,375	9,046,596	10,237,415	11,209,375	13,375,551	12,087,546
5,327,572	5,381,662	5,296,433	5,309,921	5,177,370	5,173,638
78,104	99,385	102,605	121,053	109,534	34,812
496,547	-	155,589	6,788	1,336,750	462,325
687,808	778,401	-	-	-	-
<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>17,758,321</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>	<u>\$ 33,754,165</u>
\$ (18,764,573)	\$ (24,321,205)	\$ (23,561,770)	\$ (23,601,557)	\$ (25,429,698)	\$ (27,020,910)
6,449,330	5,565,755	5,071,695	5,269,894	6,190,281	3,802,696
<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>	<u>\$ (23,218,214)</u>

CITY OF ROSENBERG, TEXAS

CHANGES IN NET POSITION (Continued)

Last Ten Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2011	2012	2013	2014
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes and fees				
Property tax	\$ 7,504,772	\$ 7,495,321	\$ 7,959,179	\$ 8,557,411
Sales tax	8,589,444	9,535,729	10,537,605	12,407,344
Franchise fees	1,578,896	1,585,406	1,780,202	1,851,747
Hotel occupancy tax	399,551	518,212	590,488	676,143
Investment earnings	75,054	55,875	43,146	20,512
Gain on sale of capital assets	-	-	-	90,641
Other revenues	573,928	379,081	395,991	337,321
Transfers in (out)	1,428,687	2,118,609	(1,116,030)	1,107,446
Total Governmental Activities	<u>20,150,332</u>	<u>21,688,233</u>	<u>20,190,581</u>	<u>25,048,565</u>
Business-Type Activities				
Investment earnings	13,204	11,349	14,216	6,563
Transfers	(1,428,687)	(2,118,609)	1,116,030	(1,107,446)
Total Business-Type Activities	<u>(1,415,483)</u>	<u>(2,107,260)</u>	<u>1,130,246</u>	<u>(1,100,883)</u>
Total Primary Government	<u>18,734,849</u>	<u>19,580,973</u>	<u>21,320,827</u>	<u>23,947,682</u>
Change in Net Position				
Governmental activities	1,754,868	3,466,715	1,425,186	8,113,788
Business-type activities	2,659,285	1,927,320	5,733,709	3,843,465
Total Primary Government	<u>\$ 4,414,153</u>	<u>\$ 5,394,035</u>	<u>\$ 7,158,895</u>	<u>\$ 11,957,253</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 8,833,478	\$ 9,573,741	\$ 10,657,377	\$ 11,071,864	\$ 10,875,805	\$ 11,365,321
12,642,075	11,781,945	12,521,827	14,474,532	14,108,795	14,701,582
1,898,719	1,924,699	1,963,484	1,967,554	1,997,165	1,929,747
744,371	642,742	605,264	755,420	537,357	422,436
33,739	202,646	466,386	954,997	1,361,297	556,245
172,184	54,717	-	909,746	10,639	-
403,605	264,045	420,524	192,669	259,198	424,156
(2,585,254)	(414,816)	(2,741,618)	2,122,861	(1,630,552)	(1,163,643)
<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>	<u>28,235,844</u>
11,070	67,622	148,877	349,995	629,090	329,128
2,595,254	414,816	2,741,618	(2,122,861)	1,630,552	1,163,643
<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>1,492,771</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>	<u>29,728,615</u>
3,378,344	(291,486)	331,474	8,848,086	2,090,006	1,214,934
9,055,654	6,048,193	7,962,190	3,497,028	8,449,923	5,295,467
<u>\$ 12,433,998</u>	<u>\$ 5,756,707</u>	<u>\$ 8,293,664</u>	<u>\$ 12,345,114</u>	<u>\$ 10,539,929</u>	<u>\$ 6,510,401</u>

CITY OF ROSENBERG, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES
Last Ten Years
(Accrual Basis of Accounting)

Function	Fiscal Year			
	2011	2012	2013	2014
Property tax	\$ 7,504,772	\$ 7,495,321	\$ 7,959,179	\$ 8,557,411
Sales tax	8,589,444	9,535,729	10,537,605	12,407,344
Franchise fees	1,578,896	1,585,406	1,780,202	1,851,747
Hotel occupancy tax	399,551	518,212	590,488	676,143
Totals	\$ 18,072,663	\$ 19,134,668	\$ 20,867,474	\$ 23,492,645

Fiscal Year

2015	2016	2017	2018	2019	2020
\$ 8,833,478	\$ 9,573,741	\$ 10,657,377	\$ 11,071,864	\$ 10,875,805	\$ 11,365,321
12,642,075	11,781,945	12,521,827	14,474,532	14,108,795	14,701,582
1,898,719	1,924,699	1,963,484	1,967,554	1,997,165	1,929,747
744,371	642,742	605,264	755,420	537,357	422,436
<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>	<u>\$ 28,419,086</u>

CITY OF ROSENBERG, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Nonspendable	\$ 250,502	\$ 39,243	\$ 53,418	\$ 36,067
Assigned	-	497,318	500,982	1,104,350
Unassigned	4,398,185	6,243,049	7,834,098	11,894,623
Total General Fund	\$ 4,648,687	\$ 6,779,610	\$ 8,388,498	\$ 13,035,040
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	17,393,365	20,443,337	23,197,272	28,526,910
Committed				
Assigned	-	545,525	-	-
Unassigned	1,189,903	-	(835)	-
	\$ 18,583,268	\$ 20,988,862	\$ 23,196,437	\$ 28,526,910

Fiscal Year

2015	2016	2017	2018	2019	2020
\$ 19,029	\$ 25,289	\$ 35,591	\$ 86,289	\$ 98,792	\$ 80,898
-	-	-	4,293,929	1,750,000	300,000
15,450,057	15,670,160	17,057,874	15,887,549	15,926,869	18,906,187
<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>	<u>\$ 19,287,085</u>
\$ -	\$ -	\$ 1,981	\$ 1,981	\$ 110	\$ 977
25,129,068	26,495,326	27,069,605	36,048,452	34,609,621	28,293,018
-	-	-	-	-	-
-	-	(98,147)	(154,614)	-	-
<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>	<u>\$ 28,293,995</u>

CITY OF ROSENBERG, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Taxes	\$ 18,067,969	\$ 19,158,616	\$ 20,846,124	\$ 23,512,541
Licenses and permits	433,122	585,083	613,391	771,303
Fines and forfeitures	634,437	665,836	657,690	573,433
Fees and charges for services	4,095,461	4,173,636	3,835,622	4,035,891
Intergovernmental	5,743,934	3,667,174	5,206,542	9,495,522
Investment earnings	69,562	52,723	39,527	19,061
Other	410,219	710,964	536,217	450,829
Total Revenues	<u>29,454,704</u>	<u>29,014,032</u>	<u>31,735,113</u>	<u>38,858,580</u>
Expenditures				
General government	5,886,316	3,353,809	3,309,484	3,446,026
Public safety	10,315,878	10,725,354	11,126,683	12,519,502
Public works	5,314,788	4,819,422	4,407,271	4,511,391
Community development	1,648,288	2,351,073	2,528,271	2,283,655
Capital outlay	6,586,965	7,577,210	9,666,080	6,903,952
Debt service:				
Principal	4,219,657	4,345,981	6,152,414	4,906,639
Interest and fiscal charges	2,085,237	1,983,170	2,123,645	2,101,713
Debt issuance costs	190,224	86,134	237,886	128,148
Total Expenditures	<u>36,247,353</u>	<u>35,242,153</u>	<u>39,551,734</u>	<u>36,801,026</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,792,649)</u>	<u>(6,228,121)</u>	<u>(7,816,621)</u>	<u>2,057,554</u>
Other Financing Sources (Uses)				
Debt issuance	10,505,000	8,600,000	12,410,000	6,565,000
Refunding bonds issued	4,860,000	-	-	-
Premium on bonds	209,422	-	227,641	133,572
Insurance proceeds	-	-	19,666	41,362
Payments to refunding bond escrow agent	(4,995,000)	-	-	-
Proceeds on sale of capital assets	-	49,000	32,665	72,080
Transfers in	3,240,516	4,382,807	5,179,079	5,200,179
Transfers out	(1,878,810)	(2,267,169)	(6,295,109)	(4,092,732)
Total Other Financing Sources	<u>11,941,128</u>	<u>10,764,638</u>	<u>11,573,942</u>	<u>7,919,461</u>
Net Change in Fund Balances	<u>\$ 5,148,479</u>	<u>\$ 4,536,517</u>	<u>\$ 3,757,321</u>	<u>\$ 9,977,015</u>
Debt service as a percentage of noncapital expenditures	21.1%	22.9%	27.2%	22.9%

Fiscal Year

	2015	2016	2017	2018	2019	2020
\$	24,116,844	\$ 23,951,861	\$ 25,745,046	\$ 28,213,601	\$ 27,526,348	\$ 28,373,006
	822,193	748,694	753,493	692,388	832,679	1,061,522
	612,230	559,799	663,834	675,460	587,367	613,292
	4,392,627	4,345,189	4,616,700	5,085,045	5,424,756	5,586,027
	7,419,273	7,105,930	3,930,169	10,699,195	17,397,749	8,800,747
	31,637	189,633	437,116	895,364	1,247,237	556,245
	505,433	304,601	698,751	454,921	857,088	369,445
	<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>	<u>45,360,284</u>
	3,787,085	3,864,072	3,787,501	5,030,650	5,724,217	5,333,610
	12,958,143	14,226,773	15,323,946	15,776,535	17,373,943	18,789,715
	5,059,614	5,590,942	5,894,608	7,130,734	7,361,297	7,507,476
	2,772,737	3,303,417	3,413,792	2,374,504	2,445,485	2,753,123
	7,871,262	10,396,946	5,815,083	8,850,948	12,763,002	6,261,661
	4,916,983	5,236,922	5,660,000	10,262,726	8,260,000	6,535,000
	2,177,290	2,224,256	2,246,523	2,170,996	2,100,491	1,720,517
	65,849	85,470	239,118	306,478	-	126,464
	<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>49,027,566</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>	<u>(3,667,282)</u>
	3,000,000	9,760,000	9,825,000	9,320,000	-	-
	-	-	7,390,000	4,950,000	-	7,075,000
	168,000	209,584	687,315	551,465	-	827,640
	6,730	21,355	19,900	22,215	34,430	54,711
	-	-	(7,841,447)	-	-	(7,930,738)
	165,454	39,589	114,505	983,338	10,639	-
	7,024,867	5,858,844	6,926,714	7,065,926	11,163,252	8,115,582
	(9,620,121)	(6,573,660)	(9,710,396)	(5,608,665)	(12,831,304)	(9,279,225)
	<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>(1,137,030)</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>(4,804,312)</u>
	21.9%	20.2%	20.2%	26.7%	23.2%	19.0%

CITY OF ROSENBERG, TEXAS
TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS
Last Ten Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2011	2012	2013	2014
Property tax	\$ 7,500,078	\$ 7,519,269	\$ 7,937,829	\$ 8,577,307
Sales tax	8,589,444	9,535,729	10,537,605	12,407,344
Franchise fees	1,578,896	1,585,406	1,780,202	1,851,747
Hotel occupancy tax	399,551	518,212	590,488	676,143
Totals	\$ 18,067,969	\$ 19,158,616	\$ 20,846,124	\$ 23,512,541

Fiscal Year

2015	2016	2017	2018	2019	2020
\$ 8,831,679	\$ 9,602,475	\$ 10,654,471	\$ 11,016,095	\$ 10,883,031	\$ 11,319,241
12,642,075	11,781,945	12,521,827	13,635,372	14,108,795	14,701,582
1,898,719	1,924,699	1,963,484	1,967,554	1,997,165	1,929,747
744,371	642,742	605,264	755,420	537,357	422,436
<u>\$ 24,116,844</u>	<u>\$ 23,951,861</u>	<u>\$ 25,745,046</u>	<u>\$ 27,374,441</u>	<u>\$ 27,526,348</u>	<u>\$ 28,373,006</u>

CITY OF ROSENBERG, TEXAS

TAXABLE SALES BY CATEGORY

Last Ten Years

	Fiscal Year			
	2011	2012	2013	2014
Manufacturing	\$ 35,709,305	\$ 33,319,926	\$ 34,755,374	\$ 71,023,948
Construction	4,358,021	4,983,655	5,478,498	5,699,322
Mining/Oil and Gas Extraction	410,444	156,604	217,256	698,165
Wholesale Trade	19,433,287	15,371,499	14,399,273	24,760,219
Retail Trade	349,146,421	384,003,024	439,367,655	475,049,147
Information	8,366,727	9,711,481	12,557,755	16,434,007
Finance/Insurance	1,523,707	1,493,134	1,552,677	1,582,285
Real Estate/Rental/Leasing	3,945,113	3,324,471	3,511,362	2,813,209
Professional/Scientific/Technical	1,549,856	1,737,784	1,837,041	2,055,795
Admin/Waste Management	4,012,601	4,743,465	5,258,948	5,149,744
Entertainment/Recreation	709,310	79,539	16,075	22,415
Accommodation/Food Service	71,930,612	80,285,088	88,682,555	95,710,727
Other Services	6,783,724	7,477,950	8,477,137	9,342,029
Other	-	-	-	-
Totals	<u>\$ 507,879,128</u>	<u>\$ 546,687,620</u>	<u>\$ 616,111,606</u>	<u>\$ 710,341,012</u>
City Direct Sales Tax Rate	0.0125%	0.0125%	0.0125%	0.0125%

Source: Texas Comptroller of Public Accounts

* Represents the first three quarters of the 2020 fiscal year. The fourth quarter is not currently available.

Fiscal Year						
2015	2016	2017	2018	2019	2020 *	
\$ 44,265,651	\$ 15,128,366	21,052,228	\$ 41,710,563	\$ 28,469,626	\$ 25,395,380	
6,761,025	5,002,267	5,662,186	7,465,976	7,031,676	6,853,991	
661,261	292,920	443,889	3,384,144	1,158,820	719,943	
29,725,965	22,074,684	130,446,207	233,625,744	245,773,076	182,614,363	
499,317,990	459,438,625	388,297,566	391,518,934	373,129,042	284,264,664	
18,819,964	19,509,936	18,338,120	19,587,627	19,132,131	11,224,518	
1,662,748	1,656,975	1,661,182	1,686,975	1,506,495	1,425,203	
3,175,468	3,283,675	3,787,231	3,512,415	3,758,665	3,810,100	
2,225,002	2,346,951	2,346,951	2,499,391	2,363,759	2,042,603	
7,761,946	11,318,786	13,902,188	17,984,064	20,599,942	19,118,265	
347,356	1,869,409	3,214,948	5,055,283	5,233,748	2,873,371	
104,003,993	107,277,110	111,620,479	119,503,935	121,340,113	87,098,191	
10,499,800	11,417,087	13,201,471	14,263,882	13,902,554	9,614,981	
-	-	1,200	-	-	-	
<u>\$ 729,228,169</u>	<u>\$ 660,616,791</u>	<u>\$ 713,975,846</u>	<u>\$ 861,798,933</u>	<u>\$ 843,399,647</u>	<u>\$ 637,055,573</u>	
0.0125%	0.0125%	0.0125%	0.0125%	0.0125%	0.0125%	

CITY OF ROSENBERG, TEXAS
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Years

	Fiscal Year			
	2011	2012	2013	2014
Residential Property	\$ 641,654,835	\$ 653,022,105	\$ 679,387,315	\$ 749,359,856
Commercial Property	916,094,036	906,727,249	957,903,509	1,004,574,850
Personal Property	236,920,483	232,900,324	247,958,051	280,163,875
Less: Tax Exempt Property	<u>(309,195,554)</u>	<u>(315,949,304)</u>	<u>(341,872,159)</u>	<u>(342,400,025)</u>
Total Taxable Assessed Value (1)	<u>\$ 1,485,473,800</u>	<u>\$ 1,476,700,374</u>	<u>\$ 1,543,376,716</u>	<u>\$ 1,691,698,556</u>
Total Direct Tax Rate	\$ 0.50500	\$ 0.50000	\$ 0.51000	\$ 0.50000

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.

Fiscal Year

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 792,288,805	\$ 909,775,642	\$ 1,026,346,467	\$ 1,165,054,442	\$ 1,299,128,613	\$ 1,408,588,051
1,048,609,929	1,059,601,822	1,331,364,289	1,362,148,541	1,382,895,685	1,453,067,836
288,757,261	301,546,216	288,805,245	348,221,145	390,188,821	411,559,420
<u>(345,917,083)</u>	<u>(337,543,351)</u>	<u>(447,394,435)</u>	<u>(530,701,399)</u>	<u>(571,037,012)</u>	<u>(615,374,870)</u>
<u>\$ 1,783,738,912</u>	<u>\$ 1,933,380,329</u>	<u>\$ 2,199,121,566</u>	<u>\$ 2,344,722,729</u>	<u>\$ 2,501,176,107</u>	<u>\$ 2,657,840,437</u>
\$ 0.49000	\$ 0.47000	\$ 0.47000	\$ 0.46200	\$ 0.43000	\$ 0.41500

CITY OF ROSENBERG, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years

Tax Rates*		City Direct Rates			Overlapping Rates ⁽¹⁾			
		Operating	Debt	Total	Lamar	Fort Bend	Fort Bend Mud #94	
Fiscal	Tax		Service				MUD	Overlapping
Year	Year	Tax Rate	Rate	Tax Rate	CISD	County	Rate	Rate
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
2020	2019	0.25411	0.16089	0.41500	1.32000	0.46000	0.43000	2.62500

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).

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
0.89000	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
0.82000	3.01500	0.79000	2.98500	0.66000	2.85500

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CITY OF ROSENBERG, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	Fiscal Year					
	2020			2011		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
Brazos TC - Partnership A, LP	\$ 75,497,070	1	2.84%	\$ 56,137,650	1	3.78%
Brazos TC - South Partnership A, LP	51,308,003	2	1.93%	-		0.00%
Dolce Living Rosenberg LLC	33,321,620	3	1.25%	-		0.00%
Dolce Living Rosenberg LLC	30,250,000	4	1.14%	-		0.00%
Gulf South Pipeline CO LP	21,156,820	5	0.80%	-		0.00%
Aldi (Texas) LLC	69,704,719	6	2.62%	-		0.00%
Kroger Texas LP	20,318,690	7	0.76%	17,625,340	4	1.19%
Centerpoint Energy Electric	18,242,950	8	0.69%	12,336,750	8	0.83%
3101 Place Owner LLC	16,560,120	9	0.62%	-		0.00%
Aldi (Texas) LLC	18,615,500	10	0.70%	-		0.00%
A-S 92 Hwy 59 Reading Rd LP	-		-	38,722,290	2	2.61%
Inland American Rosenberg Brazos	-		-	20,253,980	3	1.36%
National Oilwell Downhole Tools	-		-	16,812,010	5	1.13%
Brazos TC - South Partnership B, LP	-		-	16,421,080	6	1.11%
Alcurt Rosenberg	-		-	12,555,000	7	0.85%
Gurecky Manufacturing Service Inc	-		-	10,473,790	9	0.71%
Seatex LTD	-		-	10,371,150	10	0.70%
Subtotal	354,975,492		13.36%	211,709,040		14.25%
Other Taxpayers	2,302,864,945		86.64%	1,273,764,760		85.75%
Total	\$ 2,657,840,437		100.00%	\$ 1,485,473,800		100.00%

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

CITY OF ROSENBERG, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

	Fiscal Year			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Tax levy	\$ 7,418,239	\$ 7,380,968	\$ 7,881,666	\$ 8,491,306
Current tax collected	7,308,431	7,317,653	7,794,028	8,387,692
Percentage of current tax collections	98.52%	99.14%	98.89%	98.78%
Delinquent tax collections	<u>96,183</u>	<u>51,439</u>	<u>79,667</u>	<u>91,400</u>
Total tax collections	<u>\$ 7,404,614</u>	<u>\$ 7,369,092</u>	<u>\$ 7,873,695</u>	<u>\$ 8,479,092</u>
Total collections as a percentage of current levy	99.82%	99.84%	99.90%	99.86%
Outstanding delinquent taxes	\$ 13,625	\$ 11,876	\$ 7,971	\$ 12,214

Source: Tax assessor/collector's records.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 8,960,577	\$ 9,533,916	\$ 10,597,136	\$ 10,999,347	\$ 10,823,809	\$ 11,089,775
8,848,290	9,452,428	10,499,723	10,853,779	10,690,573	10,987,474
98.75%	99.15%	99.08%	98.68%	98.77%	99.08%
101,016	70,717	80,248	118,856	90,365	-
\$ 8,949,306	\$ 9,523,145	\$ 10,579,971	\$ 10,972,635	\$ 10,780,938	\$ 10,987,474
99.87%	99.89%	99.84%	99.76%	99.60%	99.08%
\$ 11,271	\$ 10,771	\$ 17,165	\$ 26,712	\$ 42,871	\$ 102,301

CITY OF ROSENBERG, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	Fiscal Year			
	2011	2012	2013	2014
Primary Government				
Governmental Activities:				
General obligation bonds	\$ 19,260,000	\$ 16,890,000	\$ 16,360,000	\$ 15,860,000
Certificates of obligation	31,310,000	38,435,000	45,745,000	48,380,000
Notes payable	880,902	675,009	462,595	305,956
Tax anticipation notes	1,085,000	790,000	480,000	160,000
Bond issuance premiums	619,512	575,279	758,689	830,550
	<u>53,155,414</u>	<u>57,365,288</u>	<u>63,806,284</u>	<u>65,536,506</u>
Business-Type Activities:				
Revenue bonds	7,753,993	1,614,000	334,000	314,000
Capital leases	-	1,483,394	1,470,997	1,421,834
Notes payable	-	4,065,987	3,529,016	2,976,029
Total Business-Type Activities	<u>7,753,993</u>	<u>7,163,381</u>	<u>5,334,013</u>	<u>4,711,863</u>
Total Primary Government	<u>\$ 60,909,407</u>	<u>\$ 64,528,669</u>	<u>\$ 69,140,297</u>	<u>\$ 70,248,369</u>
Personal Income	\$ 570,872,610	\$ 613,656,988	\$ 649,097,960	\$ 664,145,547
Debt as a Percentage of Personal Income	11.74%	9.52%	9.76%	9.79%
Population	30,618	32,018	33,070	34,127
Debt Per Capita	\$ 1,969	\$ 2,015	\$ 2,091	\$ 2,058

*See the Schedule of Demographic and Economic Statistics for personal income and population data.

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 13,975,000	\$ 12,050,000	\$ 15,460,000	\$ 18,725,000	\$ 14,825,000	\$ 17,725,000	
48,660,000	55,265,000	55,595,000	56,425,000	52,060,000	41,915,000	
156,922	-	-	-	-	-	
-	-	-	-	-	-	
921,760	1,054,554	1,613,624	1,999,347	1,636,091	1,973,162	
<u>63,713,682</u>	<u>68,369,554</u>	<u>72,668,624</u>	<u>77,149,347</u>	<u>68,521,091</u>	<u>61,613,162</u>	
294,000	273,000	252,000	231,000	210,000	189,000	
1,343,434	1,819,225	1,215,771	1,051,607	944,544	706,988	
2,406,433	1,251,607	1,154,959	594,009	-	-	
<u>4,043,867</u>	<u>3,343,832</u>	<u>2,622,730</u>	<u>1,876,616</u>	<u>1,154,544</u>	<u>895,988</u>	
<u>\$ 67,757,549</u>	<u>\$ 71,713,386</u>	<u>\$ 75,291,354</u>	<u>\$ 79,025,963</u>	<u>\$ 69,675,635</u>	<u>\$ 62,509,150</u>	
\$ 806,367,474	\$ 843,434,856	\$ 866,481,000	\$ 887,794,182	\$ 945,899,100	\$ 979,564,860	
8.40%	7.95%	8.69%	8.90%	7.37%	6.38%	
35,829	37,476	38,500	39,447	40,140	41,010	
\$ 1,891	\$ 1,914	\$ 1,956	\$ 2,003	\$ 1,736	\$ 1,524	

CITY OF ROSENBERG, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 Last Ten Years

	Fiscal Year			
	2011	2012	2013	2014
Net Taxable Assessed Value				
All property	\$ 1,485,473,800	\$ 1,476,700,374	\$ 1,543,376,716	\$ 1,691,698,556
Net bonded Debt				
General obligation bonds	19,260,000	16,890,000	16,360,000	15,860,000
Certificates of obligation	31,310,000	38,435,000	45,745,000	48,380,000
Bond issuance premiums	619,512	575,279	758,689	830,550
Less debt service funds	5,062,930	5,170,780	4,990,181	4,976,742
Total General Bonded Debt	<u>\$ 46,126,582</u>	<u>\$ 50,729,499</u>	<u>\$ 57,873,508</u>	<u>\$ 60,093,808</u>
Percentage of Actual Taxable Value of Property	3.11%	3.44%	3.75%	3.55%
Population	30,618	32,018	33,070	34,127
Per Capita	\$ 1,507	\$ 1,584	\$ 1,750	\$ 1,761

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 1,783,738,912	\$ 1,933,380,329	\$ 2,199,121,566	\$ 2,344,722,729	\$ 2,501,176,107	\$ 2,657,840,437
13,975,000	12,050,000	15,460,000	18,725,000	14,825,000	17,725,000
48,660,000	55,265,000	55,595,000	56,425,000	52,060,000	41,915,000
921,760	1,054,554	1,613,624	1,999,347	1,636,091	1,973,162
5,014,535	5,028,226	5,681,677	5,900,145	5,856,536	5,386,169
<u>\$ 58,542,225</u>	<u>\$ 63,341,328</u>	<u>\$ 66,986,947</u>	<u>\$ 71,249,202</u>	<u>\$ 62,664,555</u>	<u>\$ 56,226,993</u>
3.28%	3.28%	3.05%	3.04%	2.51%	2.12%
35,829	37,476	38,500	39,447	40,140	41,010
\$ 1,634	\$ 1,690	\$ 1,740	\$ 1,806	\$ 1,561	\$ 1,371

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CITY OF ROSENBERG, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2020

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Estimated Share of Direct and Overlapping Debt</u>
Fort Bend County	\$ 630,766,310	3.33%	\$ 21,004,518
Fort Bend MUD No. 94	4,020,000	100.00%	4,020,000
Fort Bend MUD No. 144	28,315,000	100.00%	28,315,000
Fort Bend MUD No. 147	7,410,000	100.00%	7,410,000
Fort Bend MUD No. 148	5,720,000	100.00%	5,720,000
Fort Bend MUD No. 152	25,005,000	0.42%	105,021
Fort Bend MUD No. 159	4,275,000	100.00%	4,275,000
Fort Bend MUD No. 167	27,635,000	100.00%	27,635,000
Lamar Consolidated ISD	1,138,945,000	14.80%	168,563,860
Total Overlapping Rates			<u>267,048,399</u>
City direct debt			<u>59,640,000</u>
Total Direct and Overlapping Rates (1)			<u><u>\$ 326,688,399</u></u>

Source: Hilltop Securities

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

Last Ten Years

	Fiscal Year			
	2011	2012	2013	2014
Debt limit	\$ 148,547,380	\$ 154,515,089	\$ 166,597,038	\$ 181,299,013
Total net debt applicable to limit	46,592,070	50,944,220	57,594,819	59,737,258
Legal debt margin	\$ 101,955,310	\$ 103,570,869	\$ 109,002,219	\$ 121,561,755
Total net debt applicable to the limit as a percentage of debt limit	31.37%	32.97%	34.57%	32.95%
Legal debt margin calculation by fiscal year				
Assessed value	\$ 1,485,473,800	\$ 1,545,150,888	\$ 1,665,970,375	\$ 1,812,990,131
Debt limit (10% of assessed value)	148,547,380	154,515,089	166,597,038	181,299,013
Debt applicable to limit:				
General obligation bonds	51,655,000	56,115,000	62,585,000	64,714,000
Less: amount set aside for				
obligation debt	(5,062,930)	(5,170,780)	(4,990,181)	(4,976,742)
Total net debt applicable to limit	46,592,070	50,944,220	57,594,819	59,737,258
Legal debt margin	\$ 101,955,310	\$ 103,570,869	\$ 109,002,219	\$ 121,561,755

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.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 189,615,990	\$ 203,925,239	\$ 219,912,157	\$ 234,472,273	\$ 250,117,611	\$ 265,784,044
<u>58,858,229</u>	<u>62,286,774</u>	<u>65,562,263</u>	<u>69,249,855</u>	<u>61,028,464</u>	<u>54,253,831</u>
<u>\$ 130,757,761</u>	<u>\$ 141,638,465</u>	<u>\$ 154,349,894</u>	<u>\$ 165,222,418</u>	<u>\$ 189,089,147</u>	<u>\$ 211,530,213</u>
31.04%	30.54%	29.81%	29.53%	24.40%	20.41%
\$ 1,896,159,898	\$ 2,039,252,388	\$ 2,199,121,566	\$ 2,344,722,729	\$ 2,501,176,107	\$ 2,657,840,437
189,615,990	203,925,239	219,912,157	234,472,273	250,117,611	265,784,044
63,850,760	67,315,000	71,055,000	75,150,000	66,885,000	59,640,000
(5,014,535)	(5,028,226)	(5,681,677)	(5,900,145)	(5,856,536)	(5,386,169)
<u>58,836,225</u>	<u>62,286,774</u>	<u>65,373,323</u>	<u>69,249,855</u>	<u>61,028,464</u>	<u>54,253,831</u>
<u>\$ 130,779,765</u>	<u>\$ 141,638,465</u>	<u>\$ 154,538,834</u>	<u>\$ 165,222,418</u>	<u>\$ 189,089,147</u>	<u>\$ 211,530,213</u>

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CITY OF ROSENBERG, TEXAS
DEBT SERVICE FUND PROJECTIONS FOR FISCAL YEAR 2021
September 30, 2020

Tax Obligation Debt Service Requirements for fiscal year 2021		\$ 10,572,280
Debt Service Fund, September 30, 2020	\$ 5,386,169	
Debt Service Fund Tax Levy at 96% Collection	3,968,153	
Estimated Prior Year Delinquent Taxes	35,000	
Estimated Transfer from Water/Wastewater Fund	4,740,245	
Estimated Transfer from Rosenberg Development Corporation	628,564	
Estimated Transfer from Civic Center Fund	56,787	
Estimated Transfer from Subsidence Fund	303,846	
Estimated Investment Income	<u>30,000</u>	
		15,619,130
Estimated Debt Service Fund Balance, September 30, 2021		<u>\$ 5,046,850</u>
General Obligation and/or Revenue Bonds Authorized but Unissued for	None	
Floating Debt Outstanding for 2020	None	

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CITY OF ROSENBERG, TEXAS

COMPUTATION OF SELF SUPPORTING DEBT

September 30, 2020

Waterworks and wastewater System

Net system revenue available at September 30, 2020	\$	6,442,252
Less: 2020 requirements for revenue bonds		21,000
Balance available for other purposes	\$	<u>6,421,252</u>
Debt service coverage ratio		1.27
2021 requirements for system tax or general obligation bonds (1)	\$	5,044,091
Percentage of system general obligation bonds self-supporting		100%

Rosenberg Development Corporation

Net system revenue available at September 30, 2020	\$	2,159,415
Less: 2020 requirements for revenue bonds		735,860
Balance available for other purposes	\$	<u>1,423,555</u>
2021 requirements for general obligation bonds paid by the Corporation (1)	\$	628,564
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.

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CITY OF ROSENBERG, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Calendar Years

Fiscal Year Ended	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate
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%
2020	41,010	\$ 979,564,860	\$ 23,886	33.8	36,820	7.2%

Sources:

- 1) Internal City Estimates
- 2) Bureau of the Census/ESRI Profile
- 3) Lamar Consolidated Independent School District

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CITY OF ROSENBERG, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2020			2011		
	Employees	Rank	Total City Employment (%)	Employees	Rank	Total City Employment (%)
Lamar Consolidated Independent School District	5,283	1	31.74%	2,884	1	20.34%
Texana Center	714	2	4.29%	453	3	3.20%
Frito Lay, Inc.	600	3	3.60%	463	2	3.27%
Dollar Tree	520	4	3.12%	-		-
Fort Bend County Offices - Annex	394	5	2.37%	164	7	1.16%
City of Rosenberg	315	6	1.89%	229	4	1.62%
Kroger	300	7	1.80%	225	5	1.06%
Benedittini Cabinetry	275	8	1.65%	150	8	1.59%
Si Environmental	192	9	1.15%	-		-
Biotics Research Corporation	150	10	0.90%	139	10	0.98%
Allied Concrete	-	-	-	222	6	1.00%
Southwestern Bell/AT&T	-	-	-	142	9	1.57%
Total	<u>8,743</u>		<u>52.52%</u>	<u>5,071</u>		<u>35.79%</u>

Source: City of Rosenberg Economic Development

CITY OF ROSENBERG, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Years

	Fiscal Year			
	2011	2012	2013	2014
General Government	29	30	30	30
<u>Public Safety:</u>				
Police	65	65	68	74
Civilians	21	21	23	22
Animal Control	2	2	2	3
<u>Fire</u>				
Firefighters	37	37	37	49
Civilians	2	2	2	2
<u>Public Works</u>				
Streets and Drainage	15	15	16	16
Building Maintenance	-	-	-	-
Fleet Maintenance	4	4	4	4
<u>Community Development</u>				
Planning	3	3	3	3
Code Enforcement	7	7	7	8
Health	1	1	1	1
Communications	1	1	1	1
Parks and Recreation	12	11	10	11
Hotel and Motel	2	2	2	-
Civic Center	3	3	3	5
Water and Wastewater	25	25	25	25
Total	229	229	234	255

Source: City personnel records

Fiscal Year

2015	2016	2017	2018	2019	2020
33	33	34	34	34	34
75	76	82	82	88	90
25	28	28	28	28	28
3	3	4	4	5	5
52	52	52	53	59	59
2	2	2	2	2	2
18	18	19	19	19	19
-	-	2	2	2	2
4	5	5	5	5	5
4	5	5	5	5	5
8	8	8	9	9	11
2	2	2	2	2	2
3	-	-	-	-	-
10	10	9	9	9	9
-	1	1	1	1	1
5	4	3	3	3	3
27	27	27	28	29	29
270	275	283	286	300	304

CITY OF ROSENBERG, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2011	2012	2013	2014
Police				
Arrests	3,313	3,440	2,654	2,819
Accident reports	399	570	629	767
Citations	7,087	6,779	5,874	4,239
Offense reports	4,105	3,921	4,229	4,088
Calls for service	53,702	58,414	55,829	51,054
Fire				
Emergency responses	3,426	3,697	3,702	3,792
Fire incidents	69	197	239	141
Service calls and other calls	3,061	3,455	3,333	3,651
Automatic aid, mutual aid given	60	45	130	152
Water				
Average daily consumption (millions of gallons)	4.11	3.63	3.71	3.69
Total consumption (millions of gallons)	1,503.75	1,333.99	1,357.00	1,353.24
Peak daily consumption	7.14	6.46	5.83	6.65
Sewer				
Average daily sewage treatment (millions of gallons)	2.33	2.54	2.32	2.83
Total consumption (millions of gallons)	853.85	931.78	848.52	867.35
Peak daily consumption (millions of gallons)	6.21	10.21	7.64	8.42

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

Fiscal Year					
2015	2016	2017	2018	2019	2020
2,875	2,616	2,460	2,272	2,041	1,719
890	977	1,083	1,041	1,064	905
5,250	5,098	5,530	5,037	4,970	5,130
4,180	3,871	3,887	3,666	3,099	2,682
50,843	45,907	52,738	53,253	**61,010	60,929
3,602	4,506	5,076	5,131	5,371	5,512
149	*1,370	1,507	1,767	1,617	671
3,453	3,036	3,419	3,207	3,754	4,841
83	153	150	157	156	74
3.87	3.94	4.09	4.30	5.90	5.40
1,411.00	1,438.00	1,493.00	1,680.30	2,170.00	1,977.80
8.20	8.60	6.90	11.20	7.98	10.70
2.82	3.01	3.23	2.90	3.36	3.05
1,029.00	1,098.00	1,179.00	1,070.00	1,228.75	1,112.20
11.47	9.63	25.17	23.00	19.00	13.10

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CITY OF ROSENBERG, TEXAS

WATER AND SEWER RATES

September 30, 2020

Water Rates

Rates for single-family residences are as follows:

First 2,000 gallons	\$10.28 minimum
2,001 - 10,000 gallons	\$2.50 per 1,000 gallons
10,001 - 20,000 gallons	\$2.70 per 1,000 gallons
20,001 - 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>Minumun-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
10,001 - 20,000 gallons	\$2.70 per 1,000 gallons
20,001 - 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 \$2.60 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
2,001 - 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 gallons is charged at \$3.10 per 1,000 gallons.

Rates were effective January 1, 2020

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CITY OF ROSENBERG, TEXAS

TOP TEN WATER AND SEWER CUSTOMERS

September 30, 2020

TOP TEN WATER CUSTOMERS

Rank	Customer	Type of Property	Consumption in Gallons	Revenue
1	Urban Brittany Square LP	Apartments	18,688,000	\$ 56,427
2	ADEF II 3101 Place LP	Apartments	12,414,300	39,433
3	Reading Park Apartments	Apartments	11,927,100	38,021
4	Aldi Texas LLC	Commercial	10,516,900	32,731
5	Bluewave Car Wash	Commercial	10,051,500	29,641
6	Williams Brothers	Commercial	8,828,700	35,639
7	Allied Concrete	Industry	8,550,500	25,288
8	Kings Arms Apartments	Apartments	7,425,600	22,566
9	Bayou Bend Apartments	Apartments	7,025,000	21,405
10	Seatex LLC	Industry	6,254,500	19,170
Total			101,682,100	\$ 320,321

TOP TEN SEWER CUSTOMERS

Rank	Customer	Type of Property	Consumption in Gallons	Revenue
1	Urban Brittany Square LP	Apartments	18,688,000	\$ 60,198
2	ADEF II 3101 Place LP	Apartments	12,414,300	42,910
3	Reading Park Apartments	Apartments	11,927,100	41,400
4	Aldi Texas LLC	Commercial	10,516,900	34,868
5	Bluewave Car Wash	Commercial	10,051,500	31,745
6	Kings Arms Apartments	Apartments	7,425,600	24,385
7	Bayou Bend Apartments	Apartments	7,025,000	23,143
8	Dolce Living Rosenberg	Apartments	5,919,500	20,616
9	Waterford at Summer Park	Apartments	5,730,800	20,031
10	Rosenberg SNF LLC	Medical/Nrsg Hm	5,517,900	17,691
Total			95,216,600	\$ 316,987

CITY OF ROSENBERG, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2011	2012	2013	2014
Public safety				
Police				
Stations	1	1	1	1
Patrol units	47	47	46	46
Fire stations	2	2	2	3
Public works				
Streets (miles)	154	162	162	162
Parks and recreation				
Parks acreage	443	443	443	443
Parks	9	9	9	9
Water and sewer				
Water mains (miles)	160	160	160	161
Fire hydrants	1,111	1,135	1,187	1,243
Maximum daily capacity (thousands of gallons)	5,232	5,232	5,372	5,372
Sanitary sewers (miles)	142	142	143	143
Storm sewers (miles)	129	129	130	130
Maximum daily treatment capacity (thousands of miles)	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

Fiscal Year						
2015	2016	2017	2018	2019	2020	
1	1	1	1	1	1	1
46	47	49	49	51	50	50
3	3	3	3	3	3	3
156	158	159	159	164	160	160
445	445	445	445	469	469	469
9	9	9	9	9	9	9
165	180	184	186	193	200	200
1,341	1,353	1,387	1,328	1,486	1,559	1,559
8,230	8,230	11,838	11,838	11,838	11,838	11,838
144	151	154	154	159	165	165
68	84	91	92	97	102	102
6,525	6,525	6,525	6,525	6,525	6,525	6,525

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