

# 2021

## ANNUAL COMPREHENSIVE FINANCIAL REPORT



*Rosenberg*  
TEXAS

## CITY OF ROSENBERG

Fiscal Year Ended September 30, 2021



*ANNUAL  
COMPREHENSIVE  
FINANCIAL REPORT*

of the

**CITY OF ROSENBERG, TEXAS**

**For the Year Ended  
September 30, 2021**

**Prepared by:**

**John Maresh  
City Manager**

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

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## ***INTRODUCTORY SECTION***

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March 4, 2022

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

## **EXECUTIVE SUMMARY**

The Finance Department and City Manager's Office are pleased to submit the Fiscal Year 2021 (FY2021) Annual Comprehensive Financial Report (ACFR) for the dates ranging from October 1, 2020 to September 30, 2021.

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, L.L.L.P., has audited the City's FY2021 financial statements. The goal of an independent audit is to provide reasonable assurance that the financial statements of the City of Rosenberg for the fiscal year ended September 30, 2021, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Rosenberg's financial statements are presented in conformity with generally accepted accounting principles (GAAP).

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

## **CITY PROFILE**

Rosenberg is located in the Gulf Coast region of Texas, at the geographic center of Fort Bend County, and is approximately thirty miles southwest of downtown Houston along Interstate 69 (I-69). The City encompasses approximately 37 square miles, excluding extraterritorial jurisdictions, and is approximately forty-seven percent (47%) undeveloped.

The City was founded in 1883, incorporated in 1903, and currently operates under a Council-Manager form of government. The City Council is comprised of a Mayor and six Council Members. The Mayor and two Council Members are elected at-large, and the remaining four are elected from one of each of the City's four single-member districts. The Mayor and Council are responsible for enacting

legislation in the form of ordinances, resolutions, and regulations governing the City. The City Manager is the chief administrative officer of the City, and is responsible for implementation of laws, ordinances and day-to-day operations of the City.

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

The Council appoints residents and business leaders who volunteer their expertise, experience, and time to serve on various committees and boards. These committees and boards make recommendations relative to special projects, issues, and future planning. The Planning Commission, Rosenberg Development Corporation, Parks and Recreation Board, and the Image Committee meet on a regular basis. Other committees and boards, which meet, as needed, include the Animal Control Shelter Advisory Board, Building and Standards Board, Rental Property Appeals Board, Water/Wastewater Impact Fee Advisory Task Force, and the Special Action Committees such as Avenue H/Highway 90-A Revitalization Blue Ribbon Committee, Charter Review Committee and Hotel Occupancy Tax (HOT) Evaluation Committee.

## **LOCAL ECONOMY**

Although the Coronavirus (COVID-19) affected parts of Texas and the United States, Rosenberg's economy remained steady in 2021. Rosenberg experienced moderate job and sales tax growth when compared to FY2020. This can be attributed to several factors including commercial development and an ongoing Chapter 380 Economic Development Program Agreement with BMC Texas Sales.

The local unemployment rate in FY2021 exhibited a slight decreasing trend compared to FY2020. The City's unemployment rate was 5.9%, which is slightly higher than the state 5.6% and national rate of 4.7%. The average owner-occupied home value increased to \$170,358, up from \$103,151 in 2011.

The total number of permits issued for the year increased from FY2020 to FY2021, with a total of 364 residential certificates of occupancy issued. There were 156 commercial certificates of occupancy, 17 new commercial buildings, and 32 commercial additions/remodels issued in the 2021 fiscal year, demonstrating that leasing existing buildings and constructing new facilities are still growing trends.

The City's sales tax revenue experienced an increase of \$3.5 million from FY2020 to FY2021. This trend has also remained steady during the first five (5) months of FY2022 and shows an increase of approximately nineteen (19%) percent when compared to FY2021.

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

The City of Rosenberg is home to a diverse group of industries including pharmaceutical packaging, machining, manufacturing, chemical blending, telecommunications services, distribution centers, engineering, oil and gas services, and a variety of retail operations. Sources of agricultural income include cotton, grain, and livestock. Additionally, the City is a major retail trade area for antiques, building materials, general merchandise, food stores, and 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 (GASB) for governmental entities. These general guidelines also address the appointment of the Finance/Audit Committee and the selection of an auditor.
2. *Operating Budget* – Objectives regarding the operating budget state that revenue estimates are based on historical trends and a conservative approach. The adopted budget will be balanced with current revenues, plus fund balances. Fund balances or reserves from operating funds at the end of each fiscal year must be maintained at 25% or more of the fund's operating expenditures (excluding non-recurring expenditures), or 90 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 upward trends for sales tax revenues.

The City’s net property tax valuations increased 11.9% from the previous year to an appraised value of just over \$3.15 billion in FY2022. The property tax base has expanded by about 99% since FY2013. The tax base is diverse, with the leading taxpayers accounting for only 12% of the appraised value.

As Fort Bend County builds out, Rosenberg continues to see 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 development of the Rosenberg Business Park Phase II infrastructure. Currently, there are 3 completed buildings and 1 is under construction with completion anticipated in 2022. Construction is anticipated to begin for additional facilities in 2022 with completion dates in 2023.
- Assisting Wet Sounds, Inc. with grand opening of a 115,000 square foot, \$12M headquarters, office and operations facility, adding forty (40) full-time primary jobs to the City.
- Assisting Biotics Research Corporation to expand their operations with a new 80,000 square foot headquarters, office, warehousing, and distribution facility with a minimum appraised value of \$8M. The facility must be constructed on or before December 31, 2022, and maintain 155 full-time employees, increasing to 175 employees by tax year 2027.
- Assisting NewQuest with the addition of a driveway connecting the recently constructed I-69 frontage road to the intersection of Town Center Boulevard and Commercial Drive; including

- a traffic signal for improved patron access and traffic circulation in Brazos Town Center.
- Improving mobility for our residents by collaborating with Fort Bend Transit to maintain and grow a transit system in the City and County; and
- Funding strategically placed sidewalks which connect residents with commercial districts;

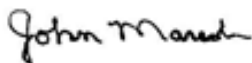
## AWARDS AND ACKNOWLEDGEMENTS

This report has been prepared in accordance with guidelines established by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2020. ***This was the 34<sup>th</sup> consecutive year that the City has received this prestigious award.*** In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation award for its annual budget for FY2021. 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

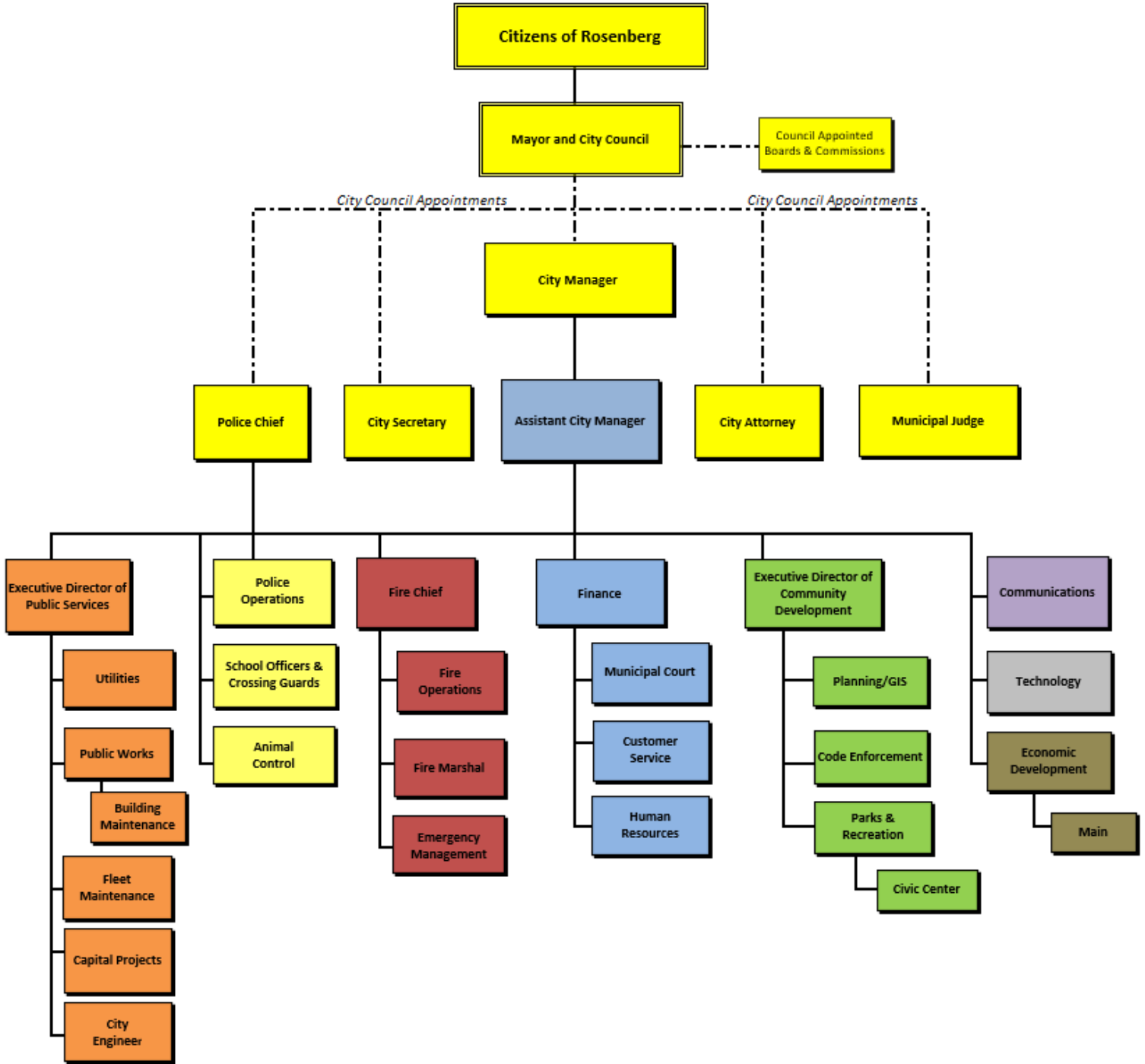


Joyce Vasut  
Assistant City Manager/Director of Finance

# CITY OF ROSENBERG, TEXAS

## ORGANIZATIONAL CHART

September 30, 2021



*CERTIFICATE OF ACHIEVEMENT FOR  
EXCELLENCE IN FINANCIAL REPORTING*



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Rosenberg  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO

**CITY OF ROSENBERG, TEXAS**  
**PRINCIPAL OFFICIALS**  
September 30, 2021

<b>Elected Officials</b>	<b>Position</b>	<b>Term Expires</b>
Kevin Raines	Mayor	05/2022
Tim Krugh	Councilor at Large, Position 1	05/2022
Alicia Casias	Councilor at Large, Position 2	05/2022
Isaac Davila	Councilor, District No. 1	05/2022
Susan Euton	Councilor, District No. 2	05/2022
Timothy Anders	Councilor, District No. 3	05/2022
Marc Morales	Councilor, District No. 4	05/2022

<b>Appointed Officials/Firm</b>	<b>Position</b>
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

<b>City Management</b>	<b>Position</b>
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
David Junek	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

***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, 2021, 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, 2021, 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 4, 2022 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.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
March 4, 2022

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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, 2021**

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 28 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 25 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, 2021**

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 and sewer services and civic center rentals.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses three internal service funds to account for health insurance, fleet 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 and 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 \$185,134,852 as of September 30, 2021. This compares with \$171,079,595 from the prior fiscal year. The largest portion of the City's net position, 77%, 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, 2021**

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 70,361,379	\$ 60,951,362	\$ 31,863,834	\$ 30,885,307	\$ 102,225,213	\$ 91,836,669
Capital assets, net	115,904,936	110,811,767	74,759,450	75,375,648	190,664,386	186,187,415
<b>Total Assets</b>	<u>186,266,315</u>	<u>171,763,129</u>	<u>106,623,284</u>	<u>106,260,955</u>	<u>292,889,599</u>	<u>278,024,084</u>
Deferred outflows of resources	5,553,444	7,106,878	511,582	646,375	6,065,026	7,753,253
Long-term liabilities	90,174,492	98,414,487	3,833,953	4,213,744	94,008,445	102,628,231
Other liabilities	13,355,968	5,030,893	3,302,317	3,388,200	16,658,285	8,419,093
<b>Total Liabilities</b>	<u>103,530,460</u>	<u>103,445,380</u>	<u>7,136,270</u>	<u>7,601,944</u>	<u>110,666,730</u>	<u>111,047,324</u>
Deferred inflows of resources	2,895,587	3,348,207	257,456	302,211	3,153,043	3,650,418
<b>Net Position:</b>						
Net investment in capital assets	68,230,471	54,626,678	74,332,548	74,479,660	142,563,019	129,106,338
Restricted	19,353,646	20,375,159	-	-	19,353,646	20,375,159
Unrestricted	(2,190,405)	(2,925,417)	25,408,592	24,523,515	23,218,187	21,598,098
<b>Total Net Position</b>	<u>\$ 85,393,712</u>	<u>\$ 72,076,420</u>	<u>\$ 99,741,140</u>	<u>\$ 99,003,175</u>	<u>\$ 185,134,852</u>	<u>\$ 171,079,595</u>

A portion of the primary government's net position, \$19,353,646 or 10%, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$23,218,187 or 13%, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$14,055,257 as compared to the prior year. The total assets increased by \$14,865,515 mainly due to an increase in accounts receivables from sales tax, the increase in unspent Coronavirus Relief Fund grant proceeds that is also reported as unearned revenue, operating surplus in the current year, and an increase in capital assets. Total deferred outflow of resources decreased by \$1,688,227 mainly due to changes in deferred outflows reported for pension and Other Postemployment Benefits (OPEB). Total liabilities decreased by \$380,594 as a result of an increase in other liabilities and a decrease in long-term liabilities. Other liabilities increased mainly due to an increase in unearned revenues and payables for construction. Long-term liabilities decreased due to a reduction in long-term debt outstanding. Total deferred inflows of resources decreased by \$497,375 primarily due to the pension and OPEB adjustments.

**CITY OF ROSENBERG, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2021**

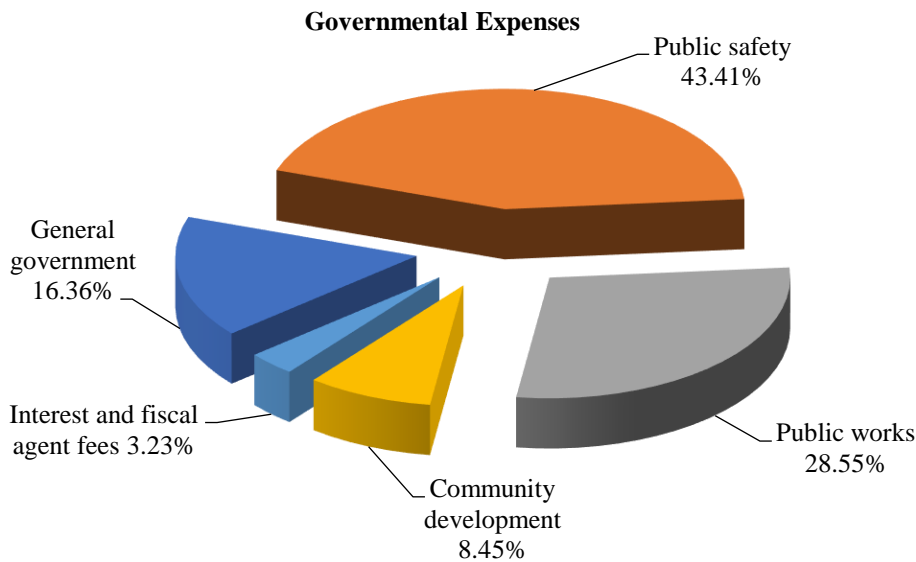
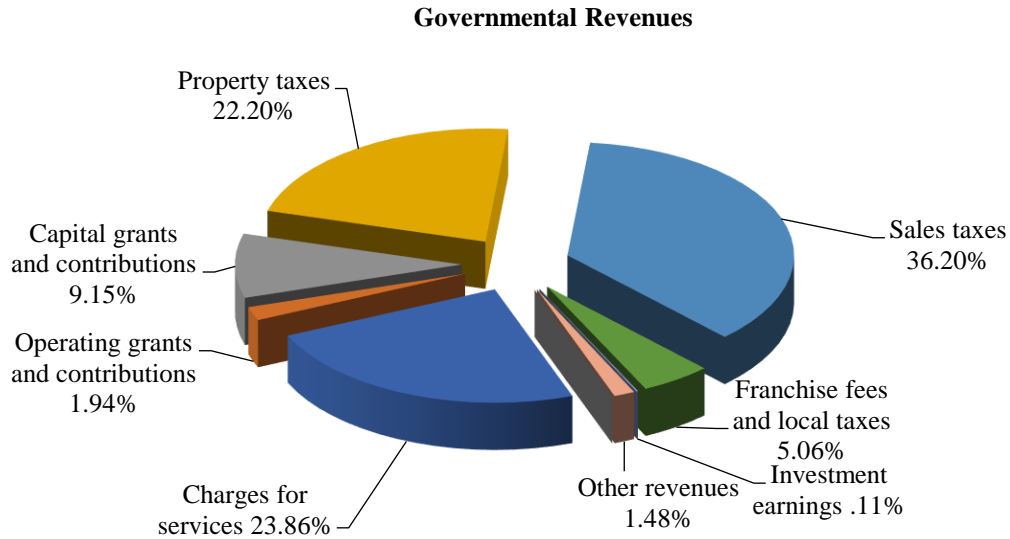
**Statement of Activities**

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 12,246,871	\$ 10,753,138	\$ 20,347,300	\$ 17,295,996	\$ 32,594,171	\$ 28,049,134
Operating grants and contributions	996,929	1,366,547	494,882	462,325	1,491,811	1,828,872
Capital grants and contributions	4,698,466	3,876,159	-	-	4,698,466	3,876,159
General revenues:						
Property taxes	11,396,110	11,365,321	-	-	11,396,110	11,365,321
Sales taxes	18,578,297	14,701,582	-	-	18,578,297	14,701,582
Franchise fees and local taxes	2,595,212	2,352,183	-	-	2,595,212	2,352,183
Investment earnings	59,245	556,245	38,022	329,128	97,267	885,373
Other revenues	757,590	424,156	-	-	757,590	424,156
<b>Total Revenues</b>	<u>51,328,720</u>	<u>45,395,331</u>	<u>20,880,204</u>	<u>18,087,449</u>	<u>72,208,924</u>	<u>63,482,780</u>
<b>Expenses</b>						
General government	7,159,382	6,302,066	-	-	7,159,382	6,302,066
Public safety	18,991,208	19,633,193	-	-	18,991,208	19,633,193
Public works	12,493,484	11,731,795	-	-	12,493,484	11,731,795
Community development	3,697,149	3,992,827	-	-	3,697,149	3,992,827
Interest and fiscal agent fees	1,411,907	1,356,873	-	-	1,411,907	1,356,873
Utilities	-	-	14,056,202	13,614,540	14,056,202	13,614,540
Civic center rentals	-	-	344,335	341,085	344,335	341,085
<b>Total Expenses</b>	<u>43,753,130</u>	<u>43,016,754</u>	<u>14,400,537</u>	<u>13,955,625</u>	<u>58,153,667</u>	<u>56,972,379</u>
<b>Excess of Revenues Over Expenses</b>	7,575,590	2,378,577	6,479,667	4,131,824	14,055,257	6,510,401
Transfers	5,741,702	(1,163,643)	(5,741,702)	1,163,643	-	-
<b>Change in Net Position</b>	13,317,292	1,214,934	737,965	5,295,467	14,055,257	6,510,401
Beginning net position	72,076,420	70,861,486	99,003,175	93,707,708	171,079,595	164,569,194
<b>Ending Net Position</b>	<u>\$ 85,393,712</u>	<u>\$ 72,076,420</u>	<u>\$ 99,741,140</u>	<u>\$ 99,003,175</u>	<u>\$ 185,134,852</u>	<u>\$ 171,079,595</u>

**CITY OF ROSENBERG, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2021**

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, 2021, revenues from governmental activities totaled \$51,328,720, which is an increase of \$5,933,389 from the prior year. This increase is primarily related to an increase in capital grants, charges for services, and sales taxes.

For the year ended September 30, 2021, expenses from governmental activities totaled \$43,753,130, which is an increase of \$736,376 from the prior year. This change can mainly be attributed to a slight increase in payroll cost related to payroll benefits.

Operating revenues for business-type activities totaled \$20,880,204 and increased by \$2,792,755 from last year, mainly due to the increase in charges for service because of an increase in capital impact fee revenue from new development. Operating expenses for business-type activities totaled \$14,400,537 and increased by \$444,912 primarily due to water purchases, contractual services, and repairs and maintenance expense during the year.

**CITY OF ROSENBERG, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2021**

**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 \$47,594,323. Of this, \$87,422 is nonspendable, \$24,088,535 is restricted for various purposes, \$4,388,768 is committed for capital projects, and \$300,000 is assigned for contingencies. The remaining balance of \$18,729,598 is unassigned in the general fund.

There was a net increase in the combined fund balance of \$13,243 compared to the prior year, which included excess expenditures over revenues of \$4,728,459 and a net transfer in from the enterprise and internal service funds of \$4,741,702.

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 \$18,729,598, while total fund balance reached \$19,116,592. 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 59% of the same amount. The general fund demonstrated an overall decrease of \$170,493. General fund revenues increased compared to the prior year due to an increase in sales tax revenue received, 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 repairs, maintenance, and improvements in public works.

The debt service fund has a total fund balance of \$5,077,025, 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 \$309,144, which is due to debt service payments.

The RDC projects fund has a fund balance of \$3,966,568. The net decrease in fund balance for the year was \$4,028,560 due to expenditures for capital projects.

The America Rescue Plan fund has a fund balance of \$62. The City received \$4,746,030 in advanced federal grants in the fiscal year ended September 30, 2021 which was reported as unearned revenue.

**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 \$2,644,351 in the general fund. However, the net change in fund balance was a decrease of \$170,493, resulting in a positive variance of \$2,473,858 from budgeted as amended over actual. This was largely due to lower than anticipated expenditures across all functions, and more than anticipated sales tax revenues.

**CITY OF ROSENBERG, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2021**

**CAPITAL ASSETS**

At the end of the current year, the City's governmental and business-type activities had invested \$115,904,936 and \$74,759,450 respectively, in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$5,093,170 for governmental activities and a net decrease of \$616,198 for business-type activities.

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

- Dollar Tree infrastructure project for \$4,628,087
- Reclaimed water – phase II for \$589,555
- Klosterhoff Road, Day Drive and Lott Lane project for \$2,055,904
- Downtown parking lot for \$610,643
- Generator at wastewater treatment plant for \$671,191
- CDBG Phase VII for \$491,618

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 \$15,970,000 and certificates of obligation outstanding of \$34,760,000 for the governmental activities. Business-type activities had revenue bonds outstanding of \$164,000 and capital leases outstanding of \$262,902. The current year total combined debt is \$51,156,902 compared to \$60,535,988 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:

<u>Debt Type</u>	<u>Standard and Poor's</u>
General obligation bonds	AA-
Certificates of obligation	AA-

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

City Council approved the fiscal year 2022 budget in September 2021, with total revenues of \$123,152,982 and total expenditures of \$131,023,240. The City's adopted tax rate for fiscal year 2022 of \$0.380 per \$100 of taxable valuation, which is less than the fiscal year 2021 tax rate of \$0.400 per \$100.

**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.

***BASIC FINANCIAL STATEMENTS***

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# CITY OF ROSENBERG, TEXAS

## STATEMENT OF NET POSITION

September 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 61,135,075	\$ 10,780,887	\$ 71,915,962	\$ 5,111,022
Receivables, net of allowances	6,382,489	2,310,027	8,692,516	1,251,901
Receivable from component unit	1,279,232	-	1,279,232	-
Inventory	21,756	-	21,756	-
Prepays and other assets	1,542,827	376,480	1,919,307	-
Restricted assets:				
Temporarily restricted cash and cash equivalents	-	18,396,440	18,396,440	-
	70,361,379	31,863,834	102,225,213	6,362,923
Capital assets:				
Nondepreciable capital assets	13,016,977	1,593,122	14,610,099	-
Depreciable capital assets, net	102,887,959	73,166,328	176,054,287	-
	115,904,936	74,759,450	190,664,386	-
<b>Total Assets</b>	186,266,315	106,623,284	292,889,599	6,362,923
<b><u>Deferred Outflows of Resources</u></b>				
Deferred charge on refunding	109,789	-	109,789	-
Deferred outflows - pensions	2,462,898	236,373	2,699,271	-
Deferred outflows - OPEB - SDBF	221,875	20,700	242,575	-
Deferred outflows - OPEB - retiree health	2,758,882	254,509	3,013,391	-
<b>Total Deferred Outflows of Resources</b>	5,553,444	511,582	6,065,026	-
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	8,495,705	3,300,065	11,795,770	1,138,445
Unearned revenue	4,745,968	-	4,745,968	-
Accrued bond interest	114,295	2,252	116,547	-
Noncurrent liabilities:				
Portion due within one year	3,969,987	291,552	4,261,539	152,407
Portion due in more than one year	86,204,505	3,542,401	89,746,906	1,126,825
<b>Total Liabilities</b>	103,530,460	7,136,270	110,666,730	2,417,677
<b><u>Deferred Inflows of Resources</u></b>				
Deferred inflows - pensions	2,282,050	203,807	2,485,857	-
Deferred inflows - OPEB - SDBF	69,829	6,404	76,233	-
Deferred inflows - OPEB - retiree health	543,708	47,245	590,953	-
<b>Total Deferred Inflows of Resources</b>	2,895,587	257,456	3,153,043	-
<b><u>Net Position</u></b>				
Net investment in capital assets	68,230,471	74,332,548	142,563,019	-
Restricted for:				
Debt service	5,077,025	-	5,077,025	-
Public safety	1,569,267	-	1,569,267	-
Parks	978,644	-	978,644	-
Tourism	730,836	-	730,836	-
Governmental programming	389,575	-	389,575	-
Capital projects	6,641,731	-	6,641,731	-
Community development	3,966,568	-	3,966,568	-
Unrestricted	(2,190,405)	25,408,592	23,218,187	3,945,246
<b>Total Net Position</b>	\$ 85,393,712	\$ 99,741,140	\$ 185,134,852	\$ 3,945,246

See Notes to Financial Statements.

# CITY OF ROSENBERG, TEXAS

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 7,159,382	\$ 1,110,972	\$ 837,540	\$ -
Public safety	18,991,208	3,059,646	159,389	14,910
Public works	12,493,484	8,050,346	-	4,683,556
Community development	3,697,149	25,907	-	-
Interest on long-term debt	1,411,907	-	-	-
<b>Total Governmental Activities</b>	43,753,130	12,246,871	996,929	4,698,466
<b>Business-Type Activities</b>				
Water and wastewater	14,056,202	20,229,570	492,604	-
Civic center rentals	344,335	117,730	2,278	-
<b>Total Business-Type Activities</b>	14,400,537	20,347,300	494,882	-
<b>Total Primary Government</b>	\$ 58,153,667	\$ 32,594,171	\$ 1,491,811	\$ 4,698,466
<b>Component Unit</b>				
Rosenberg Development Corporation	\$ 2,860,056	\$ -	\$ -	\$ -
<b>Total Component Unit</b>	\$ 2,860,056	\$ -	\$ -	\$ -

**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**

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>
\$ (5,210,870)	\$ -	\$ (5,210,870)	\$ -
(15,757,263)	-	(15,757,263)	-
240,418	-	240,418	-
(3,671,242)	-	(3,671,242)	-
(1,411,907)	-	(1,411,907)	-
<u>(25,810,864)</u>	<u>-</u>	<u>(25,810,864)</u>	<u>-</u>
-	6,665,972	6,665,972	-
-	(224,327)	(224,327)	-
-	6,441,645	6,441,645	-
<u>(25,810,864)</u>	<u>6,441,645</u>	<u>(19,369,219)</u>	<u>-</u>
-	-	-	(2,860,056)
-	-	-	(2,860,056)
11,396,110	-	11,396,110	-
18,578,297	-	18,578,297	5,812,453
2,079,378	-	2,079,378	-
515,834	-	515,834	-
59,245	38,022	97,267	3,974
757,590	-	757,590	-
5,741,702	(5,741,702)	-	-
<u>39,128,156</u>	<u>(5,703,680)</u>	<u>33,424,476</u>	<u>5,816,427</u>
13,317,292	737,965	14,055,257	2,956,371
<u>72,076,420</u>	<u>99,003,175</u>	<u>171,079,595</u>	<u>988,875</u>
<u>\$ 85,393,712</u>	<u>\$ 99,741,140</u>	<u>\$ 185,134,852</u>	<u>\$ 3,945,246</u>

# CITY OF ROSENBERG, TEXAS

## BALANCE SHEET

### GOVERNMENTAL FUNDS

September 30, 2021

	General	Debt Service	RDC Projects	America Rescue Plan
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 18,547,854	\$ 5,068,572	\$ 4,306,867	\$ 4,746,030
Receivables, net	5,368,606	118,206	-	-
Due from component unit	-	1,279,232	-	-
Prepaid items	65,238	-	-	-
Inventory	21,756	-	-	-
<b>Total Assets</b>	<b>\$ 24,003,454</b>	<b>\$ 6,466,010</b>	<b>\$ 4,306,867</b>	<b>\$ 4,746,030</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 4,540,605	\$ -	\$ 340,299	\$ -
Due to other governments	112,407	-	-	-
Unearned revenue	-	-	-	4,745,968
<b>Total Liabilities</b>	<b>4,653,012</b>	<b>-</b>	<b>340,299</b>	<b>4,745,968</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	152,608	109,753	-	-
Unavailable revenue - court fines	81,242	-	-	-
Receivable from component unit	-	1,279,232	-	-
<b>Total Deferred Inflows of Resources</b>	<b>233,850</b>	<b>1,388,985</b>	<b>-</b>	<b>-</b>
<b><u>Fund Balances</u></b>				
Nonspendable:				
Inventories	21,756	-	-	-
Prepays	65,238	-	-	-
Restricted for:				
Debt service	-	5,077,025	-	-
Public safety	-	-	-	-
Parks	-	-	-	-
Tourism	-	-	-	-
Governmental programming	-	-	-	62
Capital projects	-	-	-	-
Community development	-	-	3,966,568	-
Committed for:				
Capital projects	-	-	-	-
Assigned	300,000	-	-	-
Unassigned	18,729,598	-	-	-
<b>Total Fund Balances</b>	<b>19,116,592</b>	<b>5,077,025</b>	<b>3,966,568</b>	<b>62</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 24,003,454</b>	<b>\$ 6,466,010</b>	<b>\$ 4,306,867</b>	<b>\$ 4,746,030</b>

See Notes to Financial Statements.

<b>Nonmajor Governmental</b>	<b>Total Funds</b>
\$ 20,479,744	\$ 53,149,067
895,677	6,382,489
-	1,279,232
428	65,666
-	21,756
<u>\$ 21,375,849</u>	<u>\$ 60,898,210</u>
\$ 1,941,773	\$ 6,822,677
-	112,407
-	4,745,968
<u>1,941,773</u>	<u>11,681,052</u>
-	262,361
-	81,242
-	1,279,232
<u>-</u>	<u>1,622,835</u>
-	21,756
428	65,666
-	5,077,025
1,569,267	1,569,267
978,644	978,644
730,836	730,836
389,513	389,575
11,376,620	11,376,620
-	3,966,568
4,388,768	4,388,768
-	300,000
-	18,729,598
<u>19,434,076</u>	<u>47,594,323</u>
<u>\$ 21,375,849</u>	<u>\$ 60,898,210</u>

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**CITY OF ROSENBERG, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL**  
**FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
**September 30, 2021**

Total fund balances - governmental funds \$ 47,594,323

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	13,016,977
Capital assets, depreciable	166,608,668
Accumulated depreciation	(65,021,251)

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	262,361
Unavailable revenue - court fines	81,242
Receivable from component unit	1,279,232

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.

9,203,090

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

Accrued interest payable	(114,295)
Deferred charge on refunding	109,789
Deferred outflows - pensions	2,462,898
Deferred inflows - pensions	(2,282,050)
Deferred outflows - OPEB - SDBF	221,875
Deferred inflows - OPEB - SDBF	(69,829)
Deferred outflows - OPEB - retiree health	2,758,882
Deferred inflows - OPEB - retiree health	(543,708)
Noncurrent liabilities due in one year	(3,969,987)
Noncurrent liabilities due in more than one year	(86,204,505)

<b>Net Position of Governmental Activities</b>	\$ 85,393,712
------------------------------------------------	---------------

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, 2021

	General	Debt Service	RDC Projects	America Rescue Plan
<b>Revenues</b>				
Property taxes	\$ 7,642,314	\$ 3,872,009	\$ -	\$ -
Sales taxes	18,578,297	-	-	-
Franchise fees and local taxes	2,025,273	-	-	-
Hotel occupancy tax	-	-	-	-
Licenses and permits	1,080,977	-	-	-
Fines and forfeitures	694,397	-	-	-
Charges for services	6,052,961	-	-	-
Intergovernmental	1,695,286	628,564	2,205,043	-
Investment revenue	24,912	6,421	7,384	62
Other revenue	387,219	-	95,531	-
<b>Total Revenues</b>	38,181,636	4,506,994	2,307,958	62
<b>Expenditures</b>				
<b>Current:</b>				
General government	4,951,014	-	-	-
Public safety	16,636,740	-	-	-
Public works	8,176,742	-	-	-
Community development	2,641,641	-	-	-
<b>Capital outlay</b>	-	-	6,328,229	-
<b>Debt service:</b>				
Principal	-	8,910,000	-	-
Interest and fiscal agent fees	-	1,607,016	-	-
<b>Total Expenditures</b>	32,406,137	10,517,016	6,328,229	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	5,775,499	(6,010,022)	(4,020,271)	62
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,899,213	5,700,878	-	-
Transfers (out)	(7,845,205)	-	(8,289)	-
<b>Total Other Financing Sources (Uses)</b>	(5,945,992)	5,700,878	(8,289)	-
<b>Net Change in Fund Balances</b>	(170,493)	(309,144)	(4,028,560)	62
Beginning fund balances	19,287,085	5,386,169	7,995,128	-
<b>Ending Fund Balances</b>	\$ 19,116,592	\$ 5,077,025	\$ 3,966,568	\$ 62

<u>Nonmajor Governmental</u>	<u>Total Funds</u>
\$ -	\$ 11,514,323
-	18,578,297
54,105	2,079,378
515,834	515,834
-	1,080,977
119,193	813,590
1,445,216	7,498,177
3,939,933	8,468,826
20,466	59,245
274,840	757,590
6,369,587	51,366,237
1,973,269	6,924,283
1,723,809	18,360,549
-	8,176,742
36,365	2,678,006
3,109,871	9,438,100
-	8,910,000
-	1,607,016
6,843,314	56,094,696
(473,727)	(4,728,459)
9,010,368	16,610,459
(4,015,263)	(11,868,757)
4,995,105	4,741,702
4,521,378	13,243
14,912,698	47,581,080
\$ 19,434,076	\$ 47,594,323

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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, 2021**

Net changes in fund balances - total governmental funds \$ 13,243

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	9,134,379
Depreciation expense	(3,925,177)

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	8,910,000
Amortization of premium	184,019
Amortization of deferred charges	(12,199)
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.	(624,563)
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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	(2,344)
Net pension liability	999,907
Total OPEB liability - SDBF	(142,811)
Total OPEB liability - retiree health	(1,708,775)
Change in deferred outflows - pensions	(251,743)
Change in deferred inflows - pensions	108,936
Change in deferred outflows - OPEB - SDBF	88,376
Change in deferred inflows - OPEB - SDBF	(21,521)
Change in deferred outflows - OPEB - retiree health	(1,371,122)
Change in deferred inflows - OPEB - retiree health	358,459

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.	1,556,939
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<b>Change in Net Position of Governmental Activities</b>	<b>\$ 13,317,292</b>
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See Notes to Financial Statements.

# CITY OF ROSENBERG, TEXAS

## STATEMENT OF NET POSITION (Page 1 of 2)

### PROPRIETARY FUNDS

September 30, 2021

<u>Assets</u>	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Water and Wastewater	Civic Center Rentals	Total	Internal Service
<b>Current assets</b>				
Cash and cash equivalents	\$ 10,503,293	\$ 277,594	\$ 10,780,887	\$ 7,986,008
Accounts receivable (net of allowance for uncollectibles)	2,307,749	2,278	2,310,027	-
Restricted cash and cash equivalents	18,394,085	2,355	18,396,440	-
Prepaid expense	376,478	2	376,480	1,477,161
<b>Total Current Assets</b>	31,581,605	282,229	31,863,834	9,463,169
<b>Noncurrent assets</b>				
<b>Capital assets:</b>				
Land	363,209	-	363,209	-
Construction in progress	1,229,913	-	1,229,913	-
Water and sewer system:				
Buildings	2,447,823	-	2,447,823	-
Infrastructure	111,704,584	-	111,704,584	-
Vehicles, Machinery and equipment	3,791,894	34,984	3,826,878	5,103,706
Less accumulated depreciation	(44,812,957)	-	(44,812,957)	(3,803,163)
<b>Total Capital Assets (Net)</b>	74,724,466	34,984	74,759,450	1,300,543
<b>Total Noncurrent Assets</b>	74,724,466	34,984	74,759,450	1,300,543
<b>Total Assets</b>	\$ 106,306,071	\$ 317,213	\$ 106,623,284	\$ 10,763,712
<b>Deferred Outflows of Resources</b>				
Deferred outflows - pensions	216,872	19,501	236,373	-
Deferred outflows - OPEB - SDBF	18,939	1,761	20,700	-
Deferred outflows - OPEB - retiree healthcare	234,593	19,916	254,509	-
<b>Total Deferred Outflows of Resources</b>	470,404	41,178	511,582	-

# CITY OF ROSENBERG, TEXAS

## STATEMENT OF NET POSITION (Page 2 of 2)

### PROPRIETARY FUNDS

September 30, 2021

	Business-Type Activities			Governmental Activities
	Enterprise Funds			
	Water and Wastewater	Civic Center Rentals	Total	
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	\$ 1,459,373	\$ 43,228	\$ 1,502,601	\$ 1,560,622
Accrued interest payable	2,252	-	2,252	-
Customer deposits	1,795,109	2,355	1,797,464	-
Bonds payable - current	21,000	-	21,000	-
Capital lease payable - current	262,902	-	262,902	-
Compensated absences	7,323	327	7,650	-
	<b>Total Current Liabilities</b>	<b>45,910</b>	<b>3,593,869</b>	<b>1,560,622</b>
<b>Noncurrent liabilities</b>				
Bonds payable - noncurrent	143,000	-	143,000	-
Net pension liability - TMRS	1,001,741	98,236	1,099,977	-
Total OPEB liability - SDBF	70,890	6,758	77,648	-
Total OPEB liability - retiree healthcare	1,968,970	183,959	2,152,929	-
Compensated absences	65,903	2,944	68,847	-
	<b>Total Noncurrent Liabilities</b>	<b>291,897</b>	<b>3,542,401</b>	<b>-</b>
	<b>Total Liabilities</b>	<b>337,807</b>	<b>7,136,270</b>	<b>1,560,622</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows - pensions	185,555	18,252	203,807	-
Deferred inflows - OPEB - SBDF	5,850	554	6,404	-
Deferred inflows - OPEB - retiree healthcare	43,082	4,163	47,245	-
	<b>Total Deferred Inflows of Resources</b>	<b>22,969</b>	<b>257,456</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	74,297,564	34,984	74,332,548	1,300,543
Unrestricted net position	25,445,961	(37,369)	25,408,592	7,902,547
	<b>Total Net Position</b>	<b>(2,385)</b>	<b>99,741,140</b>	<b>9,203,090</b>

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, 2021

	<b>Business-Type Activities</b>			<b>Governmental</b>
	<b>Enterprise Funds</b>			<b>Activities</b>
	<b>Water and Wastewater</b>	<b>Civic Center Rentals</b>	<b>Total</b>	<b>Internal Service</b>
<b><u>Operating Revenues</u></b>				
Water service	\$ 13,942,592	\$ -	\$ 13,942,592	\$ -
Sewer service	6,042,403	-	6,042,403	-
Charges for services	244,575	117,730	362,305	-
Other revenue	-	-	-	5,596,868
<b>Total Operating Revenues</b>	<b>20,229,570</b>	<b>117,730</b>	<b>20,347,300</b>	<b>5,596,868</b>
<b><u>Operating Expenses</u></b>				
Personnel services	2,253,388	175,868	2,429,256	-
Supplies and materials	242,322	7,654	249,976	-
Contractual services	6,475,312	3,539	6,478,851	-
Repairs and maintenance	2,581,149	157,274	2,738,423	4,676,732
Depreciation	2,479,149	-	2,479,149	372,551
<b>Total Operating Expenses</b>	<b>14,031,320</b>	<b>344,335</b>	<b>14,375,655</b>	<b>5,049,283</b>
<b>Operating Income (Loss)</b>	<b>6,198,250</b>	<b>(226,605)</b>	<b>5,971,645</b>	<b>547,585</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>				
Intergovernmental revenue	492,604	2,278	494,882	-
Investment revenue	37,666	356	38,022	9,354
Interest expense and fiscal charges	(24,882)	-	(24,882)	-
<b>Total Nonoperating Revenues</b>	<b>505,388</b>	<b>2,634</b>	<b>508,022</b>	<b>9,354</b>
<b>Income (Loss) Before Transfers</b>	<b>6,703,638</b>	<b>(223,971)</b>	<b>6,479,667</b>	<b>556,939</b>
<b><u>Transfers</u></b>				
Transfers in	683,518	362,500	1,046,018	1,000,000
Transfers (out)	(6,730,933)	(56,787)	(6,787,720)	-
<b>Total Transfers</b>	<b>(6,047,415)</b>	<b>305,713</b>	<b>(5,741,702)</b>	<b>1,000,000</b>
<b>Change in Net Position</b>	<b>656,223</b>	<b>81,742</b>	<b>737,965</b>	<b>1,556,939</b>
Beginning net position	99,087,302	(84,127)	99,003,175	7,646,151
<b>Ending Net Position</b>	<b>\$ 99,743,525</b>	<b>\$ (2,385)</b>	<b>\$ 99,741,140</b>	<b>\$ 9,203,090</b>

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, 2021

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Enterprise Funds</u>			<u>Activities</u>
	<u>Water and</u>	<u>Civic Center</u>	<u>Total</u>	<u>Internal</u>
<u>Wastewater</u>	<u>Rentals</u>	<u>Service</u>		
<b><u>Cash Flows from Operating Activities</u></b>				
Receipts from customers and users	\$ 20,305,019	\$ 118,069	\$ 20,423,088	\$ 4,145,168
Payments to suppliers	(9,463,465)	(138,578)	(9,602,043)	(3,192,334)
Payments to employees	(2,089,329)	(160,594)	(2,249,923)	-
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>8,752,225</u>	<u>(181,103)</u>	<u>8,571,122</u>	<u>952,834</u>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Transfers from other funds	683,518	362,500	1,046,018	1,000,000
Transfers (to) other funds	(6,730,933)	(56,787)	(6,787,720)	-
Grant revenue	-	2,278	2,278	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>(6,047,415)</u>	<u>307,991</u>	<u>(5,739,424)</u>	<u>1,000,000</u>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Acquisition and construction of capital assets	(1,862,951)	-	(1,862,951)	(256,518)
Interest and fiscal charges	(24,882)	-	(24,882)	-
Principal paid on capital debt	(469,086)	-	(469,086)	-
Intergovernmental proceeds	492,604	-	492,604	-
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>(1,864,315)</u>	<u>-</u>	<u>(1,864,315)</u>	<u>(256,518)</u>
<b><u>Cash Flows from Investing Activities</u></b>				
Interest on investments	37,666	356	356	9,354
<b>Net Cash Provided by Investing Activities</b>	<u>37,666</u>	<u>356</u>	<u>38,022</u>	<u>9,354</u>
<b>Net Increase in Cash and Cash Equivalents</b>	878,161	127,244	1,005,405	1,705,670
Cash and cash equivalents, beginning of year	28,019,217	152,705	28,171,922	6,280,338
<b>Ending Cash and Cash Equivalents</b>	<u>\$ 28,897,378</u>	<u>\$ 279,949</u>	<u>\$ 29,177,327</u>	<u>\$ 7,986,008</u>
<b>Ending Cash and Cash Equivalents:</b>				
Unrestricted cash and cash equivalents	\$ 10,503,293	\$ 277,594	\$ 10,780,887	\$ 7,986,008
Restricted cash and cash equivalents	18,394,085	2,355	18,396,440	-
<b>Ending Cash and Cash Equivalents</b>	<u>\$ 28,897,378</u>	<u>\$ 279,949</u>	<u>\$ 29,177,327</u>	<u>\$ 7,986,008</u>

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, 2021

	Business-Type Activities			Governmental Activities
	Enterprise Funds			
	Water and Wastewater	Civic Center Rentals	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ 6,198,250	\$ (226,605)	\$ 5,971,645	\$ 547,585
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
Depreciation	2,479,149	-	2,479,149	372,551
<b>Changes in Operating Assets and Liabilities:</b>				
<b>(Increase) Decrease in Current Assets:</b>				
Accounts receivable	75,449	339	75,788	2,794
Prepays	(48,979)	69	(48,910)	(1,454,494)
Deferred outflows - pensions	5,178	2,148	7,326	-
Deferred outflows - OPEB - SDBF	(7,461)	(646)	(8,107)	-
Deferred outflows - OPEB - retiree health	124,753	10,821	135,574	-
<b>Increase (Decrease) in Current Liabilities:</b>				
Accounts payable and accrued liabilities	(293,894)	28,321	(265,573)	1,484,398
Accrued interest payable	(3,812)	-	(3,812)	-
Compensated absences	5,280	(200)	5,080	-
Customer deposits	182,003	1,499	183,502	-
Net pension liability - TMRS	(90,979)	(7,891)	(98,870)	-
Total OPEB liability - TMRS	12,994	1,130	14,124	-
Total OPEB liability - retiree health	155,476	13,485	168,961	-
Deferred inflows - pensions	(9,912)	(860)	(10,772)	-
Deferred inflows - OPEB - SDBF	1,345	116	1,461	-
Deferred inflows - OPEB - retiree health	(32,615)	(2,829)	(35,444)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 8,752,225</b>	<b>\$ (181,103)</b>	<b>\$ 8,571,122</b>	<b>\$ 952,834</b>

See Notes to Financial Statements.

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**CITY OF ROSENBERG, TEXAS**  
*NOTES TO FINANCIAL STATEMENTS*  
For the Year Ended September 30, 2021

**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 an economic 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 its operational or financial relationship with the City.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

**Discretely Presented Component Unit**

The Rosenberg Development Corporation (RDC) has been included in the reporting entity as a discretely presented component unit. In September 1995, the RDC 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 RDC 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 RDC shall be conveyed to the City. The operations of the RDC are presented as a governmental fund type. Complete financial statements for the RDC can be obtained at the RDC's office located at 3829 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, 2021**

**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 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 American Rescue Plan fund used to account for coronavirus grant funding is considered a major fund for reporting purposes.

The City reports the following proprietary fund types:

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.

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 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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

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.

**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

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**NOTES TO FINANCIAL STATEMENTS (Continued)**  
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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.

**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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

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.

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 inflows of resources in the period that the amounts become available. The other type of deferred inflows is for the long-term receivable from the RDC for its portion of debt.

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**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

**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 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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

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.

## **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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
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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 funds 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 September 30, 2021. 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.

**CITY OF ROSENBERG, TEXAS**  
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For the Year Ended September 30, 2021

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of September 30, 2021, the City had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
Primary government		
Certificates of deposit	\$ 4,555,872	0.37
LOGIC	27,667,833	0.15
TexPool	31,604,921	0.10
Lone Star	7,612,816	0.13
CLASS	10,892,092	0.15
<b>Total Investments</b>	<u>\$ 82,333,534</u>	
Portfolio weighted average maturity		0.14
Component unit		
TexPool	<u>\$ 4,720,790</u>	0.10

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in market 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, 2021, 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, 2021, 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.

**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

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**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

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. It limits investments only to those allowed by the Public Funds Investment Act (the "Act"). Certain funds within the Lone Star feature other investment restrictions to further help protect principal. Lone Star spread investments among individual issues of securities that mature at different times, reducing risks 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 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 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. 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

**CITY OF ROSENBERG, TEXAS**  
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**For the Year Ended September 30, 2021**

investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS' website at [www.texasclass.com](http://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 funds, and the component unit, including the applicable allowances for uncollectible accounts.

	<u>Governmental Funds</u>			<u>Proprietary Fund</u>		<u>Component Unit</u>
	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Water and Wastewater</u>	<u>Civic Center Rentals</u>	
Property taxes	\$ 160,986	\$ 116,465	\$ -	\$ -	\$ -	\$ -
Sales taxes	3,784,080	-	-	-	-	1,251,901
Hotel taxes	-	-	42,456	-	-	-
Franchise fees	124,490	-	13,298	-	-	-
Other taxes	-	-	-	-	-	-
Intergovernmental	443,884	-	-	-	-	-
Accounts receivable	720,075	-	-	2,120,447	2,278	-
Other receivables	1,375,190	2,349	839,923	218,904	-	-
Less allowance	(1,240,099)	(608)	-	(31,602)	-	-
	<u>\$ 5,368,606</u>	<u>\$ 118,206</u>	<u>\$ 895,677</u>	<u>\$ 2,307,749</u>	<u>\$ 2,278</u>	<u>\$ 1,251,901</u>

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**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2021

**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	
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 6,126,946	\$ -	\$ -	\$ 6,126,946
Construction in progress	2,129,372	6,430,400	(1,669,741)	6,890,031
<b>Total capital assets not     being depreciated</b>	<u>8,256,318</u>	<u>6,430,400</u>	<u>(1,669,741)</u>	<u>13,016,977</u>
Other capital assets:				
Infrastructure	137,120,395	2,690,252	-	139,810,647
Buildings and improvements	13,459,418	1,140,648	-	14,600,066
Vehicles, machinery, and equipment	17,388,014	799,338	(885,691)	17,301,661
<b>Total other capital assets</b>	<u>167,967,827</u>	<u>4,630,238</u>	<u>(885,691)</u>	<u>171,712,374</u>
Less accumulated depreciation for:				
Infrastructure	(44,690,674)	(3,167,796)	-	(47,858,470)
Buildings and improvements	(7,595,987)	(353,547)	-	(7,949,534)
Vehicles, machinery, and equipment	(13,125,718)	(776,384)	885,691	(13,016,411)
<b>Total accumulated depreciation</b>	<u>(65,412,379)</u>	<u>(4,297,727)</u>	<u>885,691</u>	<u>(68,824,415)</u>
Other capital assets, net	<u>102,555,448</u>	<u>332,511</u>	<u>-</u>	<u>102,887,959</u>
<b>Governmental Activities     Capital Assets, Net</b>	<u>\$ 110,811,766</u>	<u>\$ 6,762,911</u>	<u>\$ (1,669,741)</u>	<u>115,904,936</u>
			Plus deferred loss on refunding	109,789
			Plus unspent bond proceeds	4,734,889
			Less associated debt	(52,519,143)
			<b>Net Investment in Capital Assets</b>	<u>\$ 68,230,471</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 111,516
Public safety	805,560
Public works	3,053,962
Community development	326,689
<b>Total Governmental Activities Depreciation Expense</b>	<u>\$ 4,297,727</u>

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2021

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>(Decreases)/ Reclassifications</b>	<b>Ending Balance</b>
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 363,209	\$ -	\$ -	\$ 363,209
Construction in progress	5,842,504	1,737,276	(6,349,867)	1,229,913
<b>Total capital assets not being depreciated</b>	6,205,713	1,737,276	(6,349,867)	1,593,122
Other capital assets:				
Water and sewer system	108,443,147	5,709,260	-	114,152,407
Vehicles, machinery, and equipment	3,060,596	766,282	-	3,826,878
<b>Total other capital assets</b>	111,503,743	6,475,542	-	117,979,285
Less accumulated depreciation for:				
Water and sewer system	(40,159,652)	(2,273,838)	-	(42,433,490)
Vehicles, machinery, and equipment	(2,174,156)	(205,311)	-	(2,379,467)
<b>Total accumulated depreciation</b>	(42,333,808)	(2,479,149)	-	(44,812,957)
Other capital assets, net	69,169,935	3,996,393	-	73,166,328
<b>Business-Type Activities Capital Assets, Net</b>	\$ 75,375,648	\$ 5,733,669	\$ (6,349,867)	74,759,450
			Less associated debt	(426,902)
			<b>Net Investment in Capital Assets</b>	<b>\$ 74,332,548</b>

Depreciation was charged to business-type functions as follows:

Water and wastewater	\$ 2,479,149
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**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

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

<b>Project Description</b>	<b>Total in Progress</b>	<b>Remaining Commitment</b>
<b>Governmental activities:</b>		
Airport Avenue Road Extension	\$ 3,057,864	\$ 53,588
Bamore Road Extension Project	1,498,359	464,090
Benton Road County Mobility	694,327	4,775,673
Business Park Development	32,250	956,598
Downtown Parking Lot - Phase II	669,965	-
Dry Creek Drainage Improvements	624,328	368,518
Koeblen Road Project	-	5,580,295
Railroad Quiet Zones	201,069	965,545
RDC Building Project	1,037,186	-
Road Improvements - Street Overlay Program	913,637	2,376,364
Seabourne Creek Nature Center	47,250	337,750
Sidewalk Improvements	97,748	802,252
Traffic Light Signal at Reading and Town Center Blvd	-	230,750
<b>Total Governmental Activities:</b>	<b>\$ 8,873,983</b>	<b>\$ 16,911,423</b>
<b>Business-type activities:</b>		
CDBG North Side Water Improvement-Phase VII	\$ 491,618	\$ -
CDBG-DR Lift Stations 9 and 10	181,686	100,202
Dollar Tree Infrastructure Project	4,628,087	-
FM 2218 Waterline Extension	151,789	1,548,211
Generator - WWTP#1A	705,051	207,475
I-69 Waterline Extension	317,315	712,515
Sanitary Sewer Pipe Bursting Phase IV	200,100	2,122,605
SCADA Project	378,653	101,347
Spacek Road Sewer Line	341,529	154,161
<b>Total Business-Type Activities:</b>	<b>\$ 7,395,828</b>	<b>\$ 4,946,516</b>

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2021

**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>
<b>Governmental Activities:</b>					
Direct borrowings/placements:					
General obligation bonds	\$ 17,725,000	\$ -	\$ (1,755,000)	\$ 15,970,000	\$ 1,820,000
Certificates of obligation	41,915,000	-	(7,155,000)	34,760,000	2,055,000
Deferred amounts:					
Bond issuance premiums	1,973,162	-	(184,019)	1,789,143	-
	<u>61,613,162</u>	<u>-</u>	<u>(9,094,019)</u>	<u>52,519,143</u>	<u>3,875,000</u>
Other liabilities:					
Net pension liability - TMRS	13,349,127	-	(999,907)	12,349,220	-
Total OPEB liability - SDBF	707,401	142,812	-	850,213	-
Total OPEB liability - retiree health	21,797,275	1,708,776	-	23,506,051	-
Compensated absences	947,521	874,003	(871,659)	949,865	94,987
<b>Total Governmental Activities</b>	<u>\$ 98,414,486</u>	<u>\$ 2,725,591</u>	<u>\$ (10,965,585)</u>	<u>\$ 90,174,492</u>	<u>\$ 3,969,987</u>

**Long-term debt due in more than one year** \$ 86,204,505

**\*Debt associated with governmental activities capital assets** \$ 52,519,143

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Business-Type Activities:</b>					
Direct borrowings/placements:					
Revenue bonds	\$ 189,000	\$ -	\$ (25,000)	\$ 164,000	\$ 21,000
Other payables:					
Capital leases	706,988	-	(444,086)	262,902	262,902
	<u>895,988</u>	<u>-</u>	<u>(469,086)</u>	<u>426,902</u>	<u>283,902</u>
Other liabilities:					
Net pension liability	1,092,719	7,258	-	1,099,977	-
Total OPEB liability - SDBF	57,896	19,752	-	77,648	-
Total OPEB liability - retiree health	1,813,494	339,435	-	2,152,929	-
Compensated absences	71,417	80,927	(75,847)	76,497	7,650
<b>Total Business-Type Activities</b>	<u>\$ 3,931,514</u>	<u>\$ 447,372</u>	<u>\$ (544,933)</u>	<u>\$ 3,833,953</u>	<u>\$ 291,552</u>

**Long-term debt due in more than one year** \$ 3,542,401

**\*Debt associated with business-type activities capital assets** \$ 426,902

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2021

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Discretely presented</b>					
component unit:					
Notes payable	\$ 1,866,278	\$ -	\$ (587,046)	\$ 1,279,232	\$ 152,407
<b>Total discretely presented</b>					
<b>component unit:</b>	\$ 1,866,278	\$ -	\$ (587,046)	\$ 1,279,232	\$ 152,407
<b>Long-term debt due in more than one year</b>				<b>\$ 1,126,825</b>	

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, 2021:

Description	Original Issue	Matures	Interest Rates	Balance
<b><u>Governmental Activities</u></b>				
<b>General Obligation Bonds</b>				
General Obligation, Series 2014	\$ 1,565,000	2034	3.00-4.00%	\$ 1,005,000
Refunding Bonds, Series 2017	\$ 7,390,000	2028	2.00-4.00%	4,840,000
Refunding Bonds, Series 2017A	\$ 4,945,000	2029	3.00%	3,630,000
Refunding Bonds, Series 2020	\$ 7,785,000	2030	3.00%	6,495,000
		<b>Total General Obligation Bonds</b>		<b>15,970,000</b>
<b>Certificates of Obligation</b>				
Certificates of Obligation, Series 2013	\$ 9,000,000	2033	2.00-2.75%	6,030,000
Certificates of Obligation, Series 2014	\$ 5,000,000	2034	2.00-3.50%	3,625,000
Certificates of Obligation, Series 2014A	\$ 3,000,000	2034	3.00-4.00%	2,155,000
Combined Tax and Revenue , Series 2015	\$ 9,760,000	2035	2.30-3.00%	7,325,000
Combined Tax and Revenue , Series 2016	\$ 9,825,000	2036	2.00-2.05%	7,715,000
Certificates of Obligation, Series 2017	\$ 9,320,000	2037	3.00%	7,910,000
		<b>Total Certificates of Obligation</b>		<b>34,760,000</b>
		<b>Total Governmental Activities Long-Term Debt</b>		<b>\$ 50,730,000</b>
<b><u>Business-Type Activities</u></b>				
<b>Revenue Bonds</b>				
Combined Tax and Revenue , Series 2010	\$ 394,000	2029	N/A	\$ 164,000
Capital leases	\$ 1,779,935	2022	variable	262,902
		<b>Total Business-Type Activities Long-Term Debt</b>		<b>\$ 426,902</b>

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

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

Fiscal Year Ending	Governmental Activities			
	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2022	\$ 1,820,000	\$ 517,100	\$ 2,055,000	\$ 895,652
2023	1,885,000	451,350	2,110,000	846,515
2024	1,950,000	383,650	2,170,000	794,615
2025	2,040,000	313,275	2,225,000	739,670
2026	2,130,000	235,825	2,290,000	682,952
2027-2031	5,920,000	330,201	12,495,000	2,471,706
2032-2036	225,000	13,500	10,800,000	718,993
2037-2039	-	-	615,000	9,225
<b>Total</b>	<b>\$ 15,970,000</b>	<b>\$ 2,244,901</b>	<b>\$ 34,760,000</b>	<b>\$ 7,159,328</b>

Fiscal Year Ending	Business-Type Activities			
	Revenue Bonds		Capital Leases	
	Principal	Interest	Principal	Interest
2022	\$ 21,000	\$ -	\$ 262,392	\$ 5,078
2023	21,000	-	-	-
2024	21,000	-	-	-
2025	21,000	-	-	-
2026	21,000	-	-	-
2027-2030	59,000	-	-	-
<b>Total</b>	<b>\$ 164,000</b>	<b>\$ -</b>	<b>\$ 262,392</b>	<b>\$ 5,078</b>

**Notes Payable**

Portions of the 2017A and 2020 general obligation refunding bonds are being paid from the RDC in the amounts of \$1,125,300, and \$14,457, 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:

Fiscal Year Ending	Component Unit	
	Principal	Interest
2022	\$ 152,407	\$ 37,175
2023	157,413	32,685
2024	164,205	28,022
2025	172,785	23,141
2026	179,814	18,136
2027-2030	452,608	26,570
<b>Total</b>	<b>\$ 1,279,232</b>	<b>\$ 165,729</b>

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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

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

**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 \$281,404,925. The net indebtedness subject to the debt limit is \$45,820,975 resulting in a legal debt margin of \$235,583,951.

**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.

**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	\$ 212,371
General	Water and wastewater	1,686,842
Civic center rentals	General	28,500
Debt service	General	600,000
Debt service	Water and wastewater	5,044,091
Debt service	Civic center rentals	56,787
Water and wastewater	Nonmajor governmental	627,951
Nonmajor governmental	General	6,169,427
Civic center rentals	Nonmajor governmental	334,000
Nonmajor governmental	Nonmajor governmental	2,840,941
Water and wastewater	General	47,278
Internal service	General	1,000,000
Water and wastewater	RDC Projects	8,289
	<b>Total</b>	<b>\$ 18,656,477</b>

Transfers to the general fund from the water and wastewater fund were subsidies for administrative expenditures. There are also transfer out of the nonmajor governmental funds to reimburse funds for expenditures that benefit the nonmajor governmental fund activity. 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.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

**F. Fund Balance/Net Position**

As of September 30, 2021, \$1,455,786 of the City’s total fund balance is restricted by enabling legislation.

Hotel/Motel	\$	730,968
Municipal Court Building Security		21,231
Municipal Court Child Safety		218,232
Juvenile Case Manager		143,164
PEG fees		338,328
Municipal Court Technology		3,863
<b>Total Restricted by Enabling Legislation</b>	<b>\$</b>	<b><u>1,455,786</u></b>

As of September 30, 2021, there is a deficit net position balance of \$2,385 in the Civic Center Rental fund.

**E. 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.

**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, 2021, 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.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

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 Plans**

**Texas Municipal Retirement System**

Plan Description

The City participates as one of 895 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 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](http://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>2021</u>	<u>2020</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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

Employees Covered by Benefit Terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	180	
Inactive employees entitled to, but not yet, receiving benefits	180	
Active employees	279	
<b>Total</b>	639	

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 rates for the City were 16.29% and 16.19% in calendar years 2021 and 2020, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2021 were \$2,976,264 which were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year	
Overall payroll growth	2.75% 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.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

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 postretirement 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).

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%
<b>Total</b>	<b>100.00%</b>	

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 TMRS 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.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2021

Changes in the NPL

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(A)</b>	<b>(B)</b>	<b>(A) - (B)</b>
Changes for the year:			
Service cost	\$ 3,050,355	\$ -	\$ 3,050,355
Interest	5,648,609	-	5,648,609
Change of benefit terms	-	-	-
Difference between expected and actual experience	(347,902)	-	(347,902)
Changes of assumptions	-	-	-
Contributions - employer	-	2,958,350	(2,958,350)
Contributions - employee	-	1,279,088	(1,279,088)
Net investment income	-	5,247,667	(5,247,667)
Benefit payments, including refunds of employee contributions	(2,986,505)	(2,986,505)	-
Administrative expense	-	(33,941)	33,941
Other changes	-	(1,325)	1,325
<b>Net Changes</b>	<b>5,364,557</b>	<b>6,463,334</b>	<b>(1,098,777)</b>
Balance at December 31, 2019	83,651,175	69,103,201	14,547,974
<b>Balance at December 31, 2020</b>	<b>\$ 89,015,732</b>	<b>\$ 75,566,535</b>	<b>\$ 13,449,197</b>

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:

	<b>1% Decrease in Discount Rate (5.75%)</b>	<b>Discount Rate (6.75%)</b>	<b>1% Increase in Discount Rate (7.75%)</b>
City's Net Pension Liability	\$ 28,455,529	\$ 13,449,197	\$ 1,429,406

Pension Plan Fiduciary Net Position

Detailed information about the TMRS fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmr.com](http://www.tmr.com).

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

For the fiscal year ended September 30, 2021, the City recognized net pension expense of \$1,995,046.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 374,565	\$ 547,269
Changes in actuarial assumptions	226,765	-
Difference between projected and actual investment earnings	-	1,938,588
Contributions subsequent to the measurement date	2,097,941	-
<b>Total</b>	<b>\$ 2,699,271</b>	<b>\$ 2,485,857</b>

\$2,097,941 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year Ended September 30</b>	<b>Pension Expense</b>
2022	\$ (709,450)
2023	93,525
2024	(1,114,687)
2025	(153,915)
2026	-
Thereafter	-
<b>Total</b>	<b>\$ (1,884,527)</b>

**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, 2021, 2020, and 2019 were \$43,833, \$48,947, and \$46,272, respectively, and were equal to the required contributions for each year.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

Based on the net position effect of \$6,555 (net pension liability of \$6,555 as of the measurement date of August 31, 2020), management has determined the effect of *Governmental Accounting Standard Board Statement No. 68* (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.

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, 2020 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	113
Inactive employees entitled to, but not yet receiving, benefits	45
Active employees	279
<b>Total</b>	<b>437</b>

Total OPEB Liability

The City's total OPEB liability of \$927,861 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 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	2.00%*
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 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 3.0% 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, 2020.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
Changes for the year:	
Service cost	\$ 38,220
Interest	21,651
Differences between expected and actual experience	(33,556)
Changes of assumptions	136,081
Benefit payments*	(5,460)
	<b>Net Changes</b>
	156,936
Beginning balance	770,925
	<b>Ending Balance</b>
	<b>\$ 927,861</b>

\* 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.

There were no 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.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

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:

	<b>1% Decrease in Discount Rate (1.00%)</b>	<b>Discount Rate (2.00%)</b>	<b>1% Increase in Discount Rate (3.00%)</b>
City's Total OPEB Liability	\$ 1,157,893	\$ 927,861	\$ 752,187

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

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 48,138
Changes in actuarial assumptions	234,848	28,095
Contributions subsequent to the measurement date	7,727	-
<b>Total</b>	<b>\$ 242,575</b>	<b>\$ 76,233</b>

\$7,727 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, 2022.

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

<b>Fiscal Year Ended September 30</b>	<b>OPEB Expense</b>
2022	\$ 32,857
2023	32,857
2024	31,151
2025	26,841
2026	26,584
Thereafter	8,325
<b>Total</b>	<b>\$ 158,615</b>

**Retirees Healthcare Plan**

Plan Description

The City offers it 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 75.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

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, 2021 were \$295,471 while total contributions to the plan were \$547,166, 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	51	
Active employees	273	
		<b>Total</b>
		324

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 include 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.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

Changes in the Total OPEB Liability

The City's total OPEB liability of \$25,658,980 was measured as of September 30, 2021 and was determined by an actuarial valuation of as September 30, 2020.

		<b>Increase (Decrease)</b>	
		<b>Total OPEB Liability</b>	
Changes for the year:			
Service cost	\$	1,814,635	
Interest		610,267	
Change of benefit terms		-	
Difference between expected and actual experience		-	
Changes in assumptions		-	
Benefit payments		(547,166)	
	<b>Net Changes</b>	<b>1,877,736</b>	
Balance at September 30, 2020		23,781,244	
	<b>Balance at September 30, 2021</b>	<b>\$ 25,658,980</b>	

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:

	<b>1% Decrease (1.41%)</b>	<b>Discount Rate (2.41%)</b>	<b>1% Increase (3.41%)</b>
City's Total OPEB Liability	\$ 31,818,494	\$ 25,658,980	\$ 20,954,266

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:

	<b>1% Decrease</b>	<b>Current Healthcare Costs Trend Rate Assumption</b>	<b>1% Increase</b>
City's Total OPEB Liability	\$ 20,298,408	\$ 25,658,980	\$ 33,063,317

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$3,537,695. At September 30, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ -	\$ 394,099
Changes in actuarial assumptions	3,013,391	196,854
<b>Total</b>	<b>\$ 3,013,391</b>	<b>\$ 590,953</b>

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

<b>Fiscal Year Ended September 30</b>	<b>OPEB Expense</b>
2022	\$ 1,112,793
2023	1,309,645
Thereafter	-
<b>Total</b>	<b>\$ 2,422,438</b>

**E. 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.

**F. 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 2021, the RDC paid \$300,000 for year 6 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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

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.

**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 coordinate with the necessary entities to assist in obtaining 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.

In fiscal year 2021, the RDC paid \$1,650,000 for the targeted infrastructure grant, \$250,000 for the commencement incentive payment and \$250,000 for the commencement incentive grant for the first anniversary.

**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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

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. In fiscal year 2021, the City paid \$75,000 to the Company.

**Brazos TC – Partnership A, L.P. Performance Agreement**

The RDC entered into a performance agreement with Brazos TC – Partnership A, L.P. (BTC) for the design and construction of a driveway access point connecting Town Center Boulevard to the IH-69 frontage road, design and installation of a traffic signal at the intersection of Town Center Boulevard and Commercial Drive, and for landscaping and signage in the project area for a reimbursement amount not to exceed \$1,150,000. BTC agrees that the roadway improvements and traffic signal improvements will be designed, constructed, and completed by June 30, 2022. The RDC agrees to make four annual payments of \$287,500 to BTC upon the final inspection and acceptance of the roadway and traffic signal improvements by the City. BTC covenants and agrees that Brazos Town Center will generate a minimum of \$1,000,000 of sales tax revenue as allocated to the City per calendar years 2022 to 2025 from retail business located within the boundaries of Brazos Town Center.

**G. Tax Abatement Incentives**

**Chapter 312 Property Tax Abatement Agreements**

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. 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.

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,

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

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 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.

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 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.

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. 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.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

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 the Agreement is executed. The Company shall construct an approximately 1.2 million square foot warehouse and distribution facility (the “Project”) 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 1 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.

Aldi, L.L.C.

The City created Reinvestment Zone No. 17 (the “Zone”) in accordance with Texas Tax Code 312. The City entered into a Tax Abatement Agreement (the “Agreement”) with Aldi (Texas) L.L.C. (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 the Agreement is executed. The Company has constructed 650,000 square feet of divisional headquarters and distribution space on or before March 1, 2017. The Company must have a certified appraised value of not less than \$44 million. The Company shall receive a property tax abatement on both the improvements and eligible tangible personal property at the rate 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.

Sako Properties, L.P., operating as Luxury Boat and RV Storage

The City created Reinvestment Zone No. 26 (the “Zone”) in accordance with Texas Tax Code 312. The City entered into a Tax Abatement Agreement (the “Agreement”) with Sako Properties, L.P. (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 has constructed 275,000 square feet of rentable storage space on or before December 21, 2021. The Company must have a certified appraised value of not less than \$6 million. 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 Company, the applicable amount of property taxes abated during the agreement must be repaid including interest and penalties.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2021**

Company	Si Environmental, LLC	Seatex, LLC	OCuSOFT	Wet Sounds, Inc.	Dollar Tree	Aldi LLC	Sako Properties, LP
<b>Duration of Agreement (Tax Years)</b>	2022-2026	2020-2024	2020-2026	2022-2031	2021-2030	2017-2026	2022-2026
% Abated Year One	50%	50%	70%	50%	75%	70%	25%
% Abated Year Two	50%	50%	70%	50%	75%	70%	25%
% Abated Year Three	50%	50%	70%	50%	75%	70%	25%
% Abated Year Four	50%	50%	70%	50%	75%	55%	25%
% Abated Year Five	50%	50%	70%	50%	75%	55%	25%
% Abated Year Six	N/A	N/A	70%	50%	75%	55%	N/A
% Abated Year Seven	N/A	N/A	70%	50%	75%	55%	N/A
% Abated Year Eight	N/A	N/A	N/A	50%	75%	55%	N/A
% Abated Year Nine	N/A	N/A	N/A	50%	75%	55%	N/A
% Abated Year Ten	N/A	N/A	N/A	50%	75%	55%	N/A

**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 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 2021, the City and RDC rebated \$1,729,619 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%

***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, 2021**

	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>				
Property taxes	\$ 7,787,217	\$ 7,787,217	\$ 7,642,314	\$ (144,903)
Sales taxes	14,200,000	18,287,950	18,578,297	290,347
Franchise fees	1,993,000	1,997,500	2,025,273	27,773
Licenses and permits	832,200	991,100	1,080,977	89,877
Fines and forfeitures	499,800	536,350	694,397	158,047
Charges for services	5,733,902	5,898,402	6,052,961	154,559
Intergovernmental	2,464,964	2,464,964	1,695,286	(769,678)
Investment revenue	40,000	40,000	24,912	(15,088)
Other revenue	220,300	279,700	387,219	107,519
<b>Total Revenues</b>	<b>33,771,383</b>	<b>38,283,183</b>	<b>38,181,636</b>	<b>(101,547)</b>
<b><u>Expenditures</u></b>				
General government:				
Mayor and City Council	58,814	58,814	47,389	11,425
City manager	794,038	794,038	787,515	6,523
City secretary	329,616	329,616	310,222	19,394
Finance	742,165	742,165	721,620	20,545
Human resources	360,783	360,783	341,392	19,391
Legal	273,600	273,600	206,547	67,053
City prosecutor	42,000	68,550	68,550	-
Municipal court	478,603	488,603	478,526	10,077
Technology	487,816	485,816	461,202	24,614
Communications	246,622	248,622	247,292	1,330
Nondepartmental	1,365,999	1,356,899	1,280,759	76,140
Total general government	<b>5,180,056</b>	<b>5,207,506</b>	<b>4,951,014</b>	<b>256,492</b>
Public safety:				
Police and emergency management	10,661,808	10,715,308	10,152,131	563,177
Fire and fire marshal	5,163,685	5,174,985	5,051,318	123,667
Animal control	463,718	494,218	476,708	17,510
School officers and crossing guards	2,200,964	2,200,964	956,583	1,244,381
Total public safety	<b>18,490,175</b>	<b>18,585,475</b>	<b>16,636,740</b>	<b>1,948,735</b>
Public works:				
Streets and drainage	3,767,626	2,816,524	2,744,260	72,264
Street lighting and signals	523,000	523,000	404,013	118,987
Solid waste	3,600,000	3,788,300	3,788,256	44
Building maintenance	165,921	171,421	169,154	2,267
City engineering	535,000	653,740	653,733	7
Fleet maintenance	430,806	425,306	417,326	7,980
Total public works	<b>9,022,353</b>	<b>8,378,291</b>	<b>8,176,742</b>	<b>201,549</b>

**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, 2021**

	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Expenditures (Continued)</u></b>				
Community development:				
Planning	\$ 512,916	\$ 512,916	\$ 507,064	\$ 5,852
Parks and recreation	1,055,539	1,055,539	997,508	58,031
Special event	180,318	180,318	142,843	37,475
Code enforcement	880,361	882,861	855,587	27,274
Public health	178,369	178,369	138,639	39,730
Total community development	<u>2,807,503</u>	<u>2,810,003</u>	<u>2,641,641</u>	<u>168,362</u>
<b>Total Expenditures</b>	<u>35,500,087</u>	<u>34,981,275</u>	<u>32,406,137</u>	<u>2,575,138</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,728,704)</u>	<u>3,301,908</u>	<u>5,775,499</u>	<u>2,473,591</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	1,898,946	1,898,946	1,899,213	267
Transfers (out)	(1,273,897)	(7,845,205)	(7,845,205)	-
<b>Total Other Financing Sources (Uses)</b>	<u>625,049</u>	<u>(5,946,259)</u>	<u>(5,945,992)</u>	<u>267</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,103,655)</u>	<u>\$ (2,644,351)</u>	<u>(170,493)</u>	<u>\$ 2,473,858</u>
Beginning fund balance			<u>19,287,085</u>	
<b>Ending Fund Balance</b>			<u>\$ 19,116,592</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**

For the Year Ended September 30, 2021

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 2,210,000	\$ 2,210,000	\$ 2,205,043	\$ (4,957)
Investment revenue	20,000	20,000	7,384	(12,616)
Other revenues	-	-	95,531	95,531
<b>Total Revenues</b>	2,230,000	2,230,000	2,307,958	77,958
<b>Expenditures</b>				
Current:				
Community development	-	80,655	-	80,655
Capital outlay	2,210,000	9,985,703	6,328,229	3,657,474
<b>Total Expenditures</b>	2,210,000	10,066,358	6,328,229	3,738,129
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	20,000	(7,836,358)	(4,020,271)	3,816,087
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	-	-	(8,289)	(8,289)
<b>Total Other Financing (Uses)</b>	-	-	(8,289)	(8,289)
<b>Net Change in Fund Balance</b>	\$ 20,000	\$ (7,836,358)	(4,028,560)	\$ 3,807,798
Beginning fund balance			7,995,128	
<b>Ending Fund Balance</b>			\$ 3,966,568	

**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, 2021**

	Measurement Year*			
	2020	2019	2018	2017
<b>Total Pension Liability</b>				
Service cost	\$ 3,050,355	\$ 2,873,947	\$ 2,657,523	\$ 2,139,697
Interest (on the total pension liability)	5,648,609	5,229,709	4,973,547	4,383,721
Changes in benefit terms	-	-	4,750,555	-
Difference between expected and actual experience	(347,902)	660,421	(774,670)	69,996
Change in assumptions	-	411,125	-	-
Benefit payments, including refunds of employee contributions	(2,986,505)	(3,128,444)	(3,210,794)	(2,518,656)
<b>Net Change in Total Pension Liability</b>		6,046,758	8,396,161	4,074,758
Beginning total pension liability	83,651,175	77,604,417	69,208,256	65,133,498
<b>Ending Total Pension Liability</b>	<u>\$ 89,015,732</u>	<u>\$ 83,651,175</u>	<u>\$ 77,604,417</u>	<u>\$ 69,208,256</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 2,958,350	\$ 2,798,557	\$ 2,200,858	\$ 1,966,261
Contributions - employee	1,279,088	1,198,191	987,784	898,292
Net investment income	5,247,667	9,146,607	(1,828,615)	7,392,526
Benefit payments, including refunds of employee contributions	(2,986,505)	(3,128,444)	(3,210,794)	(2,518,656)
Administrative expense	(33,941)	(51,663)	(35,332)	(383,306)
Other	(1,325)	(1,552)	(1,847)	(1,940)
<b>Net Change in Plan Fiduciary Net Position</b>	6,463,334	9,961,696	(1,887,946)	7,698,177
Beginning plan fiduciary net position	69,103,201	59,141,505	61,029,451	53,331,274
<b>Ending Plan Fiduciary Net Position</b>	<u>\$ 75,566,535</u>	<u>\$ 69,103,201</u>	<u>\$ 59,141,505</u>	<u>\$ 61,029,451</u>
<b>Net Pension Liability</b>	<u>\$ 13,449,197</u>	<u>\$ 14,547,974</u>	<u>\$ 18,462,912</u>	<u>\$ 8,178,805</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	84.89%	82.61%	76.21%	88.18%
<b>Covered Payroll</b>	\$ 18,200,209	\$ 17,117,016	\$ 15,724,990	\$ 14,942,016
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	73.90%	84.99%	117.41%	54.74%

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

**Measurement Year\***

	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$	2,034,621	\$ 1,995,907	\$ 1,665,767
	4,180,290	4,076,807	3,869,483
	-	-	-
	(518,072)	289,636	(551,553)
	-	(25,808)	-
	(2,952,510)	(2,379,033)	(1,994,965)
	<u>2,744,329</u>	<u>3,957,509</u>	<u>2,988,732</u>
	<u>62,389,169</u>	<u>58,431,660</u>	<u>55,442,928</u>
\$	<u><u>65,133,498</u></u>	<u><u>62,389,169</u></u>	<u><u>58,431,660</u></u>

\$	1,928,740	\$ 1,986,101	\$ 1,843,970
	858,490	840,382	743,396
	3,389,430	73,296	2,657,661
	(2,952,510)	(2,379,033)	(1,994,965)
	(38,275)	(44,645)	(27,745)
	(2,062)	(2,205)	(2,281)
	<u>3,183,813</u>	<u>473,896</u>	<u>3,220,036</u>
	<u>50,147,461</u>	<u>49,673,565</u>	<u>46,417,529</u>
\$	<u><u>53,331,274</u></u>	<u><u>50,147,461</u></u>	<u><u>49,637,565</u></u>

\$	<u><u>11,802,224</u></u>	<u><u>12,241,708</u></u>	<u><u>8,794,095</u></u>
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	81.88%	80.38%	84.95%
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\$	14,308,168	\$ 14,006,366	\$ 12,383,933
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	82.49%	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, 2021**

	Fiscal Year*			
	2021	2020	2019	2018
Actuarially determined contribution	\$ 2,954,461	\$ 2,931,829	\$ 2,697,550	\$ 2,022,036
Contributions in relation to the actuarially determined contribution	2,954,461	2,931,829	2,697,550	2,022,036
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 18,169,136	\$ 18,058,713	\$ 16,468,984	\$ 15,482,968
Contributions as a percentage of covered payroll	16.26%	16.23%	16.38%	13.06%

\*Only seven years of information is currently available. The City will build this schedule over the next three-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	25 years
Asset valuation method	10 year smoothed market; 12% 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.

<b>Fiscal Year*</b>		
<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 1,950,736	\$ 1,941,325	\$ 1,909,555
<u>1,950,736</u>	<u>1,941,325</u>	<u>1,909,555</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,742,619	\$ 14,230,199	\$ 13,181,944
13.23%	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, 2021

	Measurement Year*			
	2020	2019	2018	2017
<b>Total OPEB Liability</b>				
Service cost	\$ 38,220	\$ 23,964	\$ 25,160	\$ 20,919
Interest (on the total pension liability)	21,651	22,754	21,211	20,658
Difference between expected and actual experience	(33,556)	(13,902)	(18,007)	-
Change in assumptions	136,081	139,338	(50,334)	55,204
Benefit payments	(5,460)	(5,135)	(4,717)	(4,483)
<b>Net Change in Total OPEB Liability</b>	<u>156,936</u>	<u>16,019</u>	<u>(26,687)</u>	<u>92,298</u>
Beginning total OPEB liability	770,925	603,906	630,593	538,295
<b>Ending Total OPEB Liability</b>	<u>\$ 927,861</u>	<u>\$ 770,925</u>	<u>\$ 603,906</u>	<u>\$ 630,593</u>
<b>Covered Payroll</b>	\$ 18,220,209	\$ 17,117,016	\$ 15,724,990	\$ 14,942,016
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	5.09%	4.50%	3.84%	4.22%

\*Only four years of information are currently available. The City will build this schedule over the next six-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:**

1. 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:**

2. Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	2.00%
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 3.0% 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.

3. 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, 2020.

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, 2021**

	Measurement Year*			
	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service cost	\$ 1,814,635	\$ 1,014,357	\$ 976,940	\$ 1,035,876
Interest (on the total pension liability)	610,267	502,506	655,729	595,478
Difference between expected and actual experience	-	(788,197)	-	-
Change in assumptions	-	6,026,783	-	(984,270)
Benefit payments	(547,166)	(500,532)	(500,532)	(461,319)
<b>Net Change in Total OPEB Liability</b>	<b>1,877,736</b>	<b>6,254,917</b>	<b>1,132,137</b>	<b>185,765</b>
Beginning total OPEB liability	23,781,244	17,526,327	16,394,190	16,208,425
<b>Ending Total OPEB Liability</b>	<b>\$ 25,658,980</b>	<b>\$ 23,781,244</b>	<b>\$ 17,526,327</b>	<b>\$ 16,394,190</b>
<b>Covered Payroll</b>	<b>\$ 18,908,510</b>	<b>\$ 18,357,777</b>	<b>\$ 16,804,153</b>	<b>\$ 21,716,538</b>
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	<b>135.70%</b>	<b>129.50%</b>	<b>104.30%</b>	<b>75.49%</b>

\*Only four years of information are currently available. The City will build this schedule over the next six-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 Valuation Date	September 30, 2020
Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% 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

3. 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.

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, 2021

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 3,968,153	\$ 3,968,153	\$ 3,872,009	\$ (96,144)
Intergovernmental	628,564	628,564	628,564	-
Investment revenue	30,000	30,000	6,421	(23,579)
<b>Total Revenues</b>	4,626,717	4,626,717	4,506,994	(119,723)
<b>Expenditures</b>				
Debt service:				
Principal	8,910,000	8,910,000	8,910,000	-
Interest and fiscal agent fees	1,692,280	1,692,280	1,607,016	85,264
<b>Total Expenditures</b>	10,602,280	10,602,280	10,517,016	85,264
<b>(Deficiency) of Revenues (Under) Expenditures</b>	(5,975,563)	(5,975,563)	(6,010,022)	(34,459)
<b>Other Financing Sources (Uses)</b>				
Transfers in	5,700,878	5,700,878	5,700,878	-
<b>Total Other Financing Sources</b>	5,700,878	5,700,878	5,700,878	-
<b>Net Change in Fund Balance</b>	\$ (274,685)	\$ (274,685)	(309,144)	\$ (34,459)
Beginning fund balance			5,386,169	
<b>Ending Fund Balance</b>			\$ 5,077,025	

**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 construct water and sanitary sewer lines.

#### **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 items used for providing security services for buildings housing Municipal Court.

#### **MUD Fire Services Fund**

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

# **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.

### **2017 Hurricane Harvey CDBG-MIT Drainage Improvement Fund**

This fund is used to account for the infrastructure improvement projects related to the CDBG-Mitigation project.

## **CAPITAL PROJECTS FUNDS**

### **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.

### **County Mobility Project**

This fund is used to account for the various County Mobility Projects for Benton Rd, Bamore Road and Koeblen Road projects.

### **2014 General Obligation**

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

### **Street Improvement Fund**

This fund is used to account for the yearly capital improvements related to the street overlay program.

### **Capital Improvement Fund**

This fund is used to account for one-time capital improvements.

**CITY OF ROSENBERG, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 3)**  
**September 30, 2021**

**Special Revenue Funds**

	<b>Hotel and Motel Occupancy Tax</b>	<b>Municipal Court Technology</b>	<b>Beautification</b>	<b>Law Enforcement</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 690,526	\$ 3,863	\$ 194,226	\$ 410,506
Receivables, net	42,456	-	-	-
Prepaid items	132	-	-	-
<b>Total Assets</b>	<b>\$ 733,114</b>	<b>\$ 3,863</b>	<b>\$ 194,226</b>	<b>\$ 410,506</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,146	\$ -	\$ 12	\$ 8,423
<b>Total Liabilities</b>	<b>2,146</b>	<b>-</b>	<b>12</b>	<b>8,423</b>
Fund balances:				
Nonspendable:				
Prepays	132	-	-	-
Restricted for:				
Public safety	-	3,863	-	402,083
Parks	-	-	194,214	-
Tourism	730,836	-	-	-
Governmental programming	-	-	-	-
Capital projects	-	-	-	-
Committed for:				
Capital projects	-	-	-	-
<b>Total Fund Balances</b>	<b>730,968</b>	<b>3,863</b>	<b>194,214</b>	<b>402,083</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 733,114</b>	<b>\$ 3,863</b>	<b>\$ 194,226</b>	<b>\$ 410,506</b>

**Special Revenue Funds**

<b>Community Development Block Grant</b>	<b>Police Asset Forfeiture</b>	<b>Park Land Dedication</b>	<b>Juvenile Case Manager</b>	<b>Municipal Court Child Safety</b>	<b>Municipal Court Building Security</b>
\$ 303,846	\$ 46,306	\$ 809,630	\$ 143,262	\$ 220,584	\$ 21,231
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 303,846</u>	<u>\$ 46,306</u>	<u>\$ 809,630</u>	<u>\$ 143,262</u>	<u>\$ 220,584</u>	<u>\$ 21,231</u>
\$ -	\$ 12,533	\$ 25,200	\$ 98	\$ 2,352	\$ -
-	12,533	25,200	98	2,352	-
-	-	-	-	-	-
-	33,773	-	143,164	218,232	21,231
-	-	784,430	-	-	-
-	-	-	-	-	-
303,846	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>303,846</u>	<u>33,773</u>	<u>784,430</u>	<u>143,164</u>	<u>218,232</u>	<u>21,231</u>
<u>\$ 303,846</u>	<u>\$ 46,306</u>	<u>\$ 809,630</u>	<u>\$ 143,262</u>	<u>\$ 220,584</u>	<u>\$ 21,231</u>

**CITY OF ROSENBERG, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 3)**  
**September 30, 2021**

**Special Revenue Funds**

	<b>MUD Fire Services</b>	<b>Police Federal Forfeiture</b>	<b>Fire Station Number 3 Operating</b>	<b>Cable PEG Fees</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 473,402	\$ 189,046	\$ 182,420	\$ 325,030
Receivables, net	-	-	6,736	13,298
Prepaid items	-	-	296	-
<b>Total Assets</b>	<b>\$ 473,402</b>	<b>\$ 189,046</b>	<b>\$ 189,452</b>	<b>\$ 338,328</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 1,300	\$ 103,383	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>1,300</b>	<b>103,383</b>	<b>-</b>
Fund balances:				
Nonspendable:				
Prepays	-	-	296	-
Restricted for:				
Public safety	473,402	187,746	85,773	-
Parks	-	-	-	-
Tourism	-	-	-	-
Governmental programming	-	-	-	-
Capital projects	-	-	-	338,328
Committed for:				
Capital projects	-	-	-	-
<b>Total Fund Balances</b>	<b>473,402</b>	<b>187,746</b>	<b>86,069</b>	<b>338,328</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 473,402</b>	<b>\$ 189,046</b>	<b>\$ 189,452</b>	<b>\$ 338,328</b>

<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>				
<b>CDBG Mitigation Drainage Improvement</b>	<b>Operating Projects</b>	<b>Bamore Road County Mobility Project</b>	<b>Spacek Road County Mobility Project</b>	<b>2014 General Obligation</b>	<b>2017 Certificates of Obligation</b>
\$ 85,667	\$ 908,154	\$ 5,474,872	\$ 334,782	\$ 368,819	\$ 4,366,070
-	833,187	-	-	-	-
-	-	-	-	-	-
<u>\$ 85,667</u>	<u>\$ 1,741,341</u>	<u>\$ 5,474,872</u>	<u>\$ 334,782</u>	<u>\$ 368,819</u>	<u>\$ 4,366,070</u>
\$ -	\$ 833,790	\$ 914,265	\$ -	\$ 20,022	\$ 18,249
-	833,790	914,265	-	20,022	18,249
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
85,667	-	-	-	-	-
-	-	4,560,607	334,782	348,797	4,347,821
-	907,551	-	-	-	-
<u>85,667</u>	<u>907,551</u>	<u>4,560,607</u>	<u>334,782</u>	<u>348,797</u>	<u>4,347,821</u>
<u>\$ 85,667</u>	<u>\$ 1,741,341</u>	<u>\$ 5,474,872</u>	<u>\$ 334,782</u>	<u>\$ 368,819</u>	<u>\$ 4,366,070</u>

**CITY OF ROSENBERG, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 3 of 3)**  
**September 30, 2021**

**Capital Projects Funds**

	<u>Street Improvement</u>	<u>Capital Improvement</u>	<u>Seabourne Creek Capacity</u>	<u>Dry Creek Capacity</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 2,378,005	\$ 1,103,212	\$ 40,973	\$ 1,405,312
Receivables, net	-	-	-	-
Prepaid items	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,378,005</b>	<b>\$ 1,103,212</b>	<b>\$ 40,973</b>	<b>\$ 1,405,312</b>
<b><u>Liabilities and Fund Balances</u></b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:				
Nonspendable:				
Prepays	-	-	-	-
Restricted for:				
Public safety	-	-	-	-
Parks	-	-	-	-
Tourism	-	-	-	-
Governmental programming	-	-	-	-
Capital projects	-	-	40,973	1,405,312
Committed for:				
Capital projects	2,378,005	1,103,212	-	-
<b>Total Fund Balances</b>	<b>2,378,005</b>	<b>1,103,212</b>	<b>40,973</b>	<b>1,405,312</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,378,005</b>	<b>\$ 1,103,212</b>	<b>\$ 40,973</b>	<b>\$ 1,405,312</b>

**Total Nonmajor  
Governmental  
Funds**

\$ 20,479,744  
895,677  
428

\$ 21,375,849

\$ 1,941,773

1,941,773

428

1,569,267  
978,644  
730,836  
389,513  
11,376,620

4,388,768

19,434,076

\$ 21,375,849

**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, 2021

Special Revenue Funds

	<u>Hotel and Motel Occupancy Tax</u>	<u>Municipal Court Technology</u>	<u>Beautification</u>	<u>Law Enforcement</u>
<b>Revenues</b>				
Franchise fees	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	515,834	-	-	-
Fines and forfeitures	-	21,696	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	1,296
Investment revenue	986	7	251	569
Other revenue	-	-	22,000	-
<b>Total Revenues</b>	<u>516,820</u>	<u>21,703</u>	<u>22,251</u>	<u>1,865</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	-	20,000	-	165,773
Economic development	30,746	-	5,619	-
<b>Capital outlay</b>	<u>199,592</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>230,338</u>	<u>20,000</u>	<u>5,619</u>	<u>165,773</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>286,482</u>	<u>1,703</u>	<u>16,632</u>	<u>(163,908)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	(491,562)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(491,562)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(205,080)	1,703	16,632	(163,908)
Beginning fund balances	<u>936,048</u>	<u>2,160</u>	<u>177,582</u>	<u>565,991</u>
<b>Ending Fund Balances</b>	<u>\$ 730,968</u>	<u>\$ 3,863</u>	<u>\$ 194,214</u>	<u>\$ 402,083</u>

**Special Revenue Funds**

<b>Community Development Block Grant</b>	<b>Police Asset Forfeiture</b>	<b>Park Land Dedication</b>	<b>Juvenile Case Manager</b>	<b>Municipal Court Child Safety</b>	<b>Municipal Court Building Security</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	26,742	46,184	24,571
-	-	-	-	-	-
421,611	-	-	-	-	-
-	63	1,010	193	290	23
-	-	127,840	-	-	-
<u>421,611</u>	<u>63</u>	<u>128,850</u>	<u>26,935</u>	<u>46,474</u>	<u>24,594</u>
-	-	-	-	39,501	-
-	5,611	-	-	-	-
-	-	-	-	-	-
-	-	47,250	-	-	-
<u>-</u>	<u>5,611</u>	<u>47,250</u>	<u>-</u>	<u>39,501</u>	<u>-</u>
<u>421,611</u>	<u>(5,548)</u>	<u>81,600</u>	<u>26,935</u>	<u>6,973</u>	<u>24,594</u>
-	-	-	-	-	-
(427,851)	-	-	(33,634)	(7,800)	(10,000)
<u>(427,851)</u>	<u>-</u>	<u>-</u>	<u>(33,634)</u>	<u>(7,800)</u>	<u>(10,000)</u>
(6,240)	(5,548)	81,600	(6,699)	(827)	14,594
<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>\$ 303,846</u>	<u>\$ 33,773</u>	<u>\$ 784,430</u>	<u>\$ 143,164</u>	<u>\$ 218,232</u>	<u>\$ 21,231</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, 2021

**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>
<b>Revenues</b>				
Franchise fees	\$ -	\$ -	\$ -	\$ 54,105
Hotel occupancy tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	1,446,510	13,614	6,736	-
Investment revenue	562	267	365	412
Other revenue	-	-	-	-
<b>Total Revenues</b>	<u>1,447,072</u>	<u>13,881</u>	<u>7,101</u>	<u>54,517</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	-	40,182	1,492,243	-
Economic development	-	-	-	-
<b>Capital outlay</b>	-	-	-	1,839
<b>Total Expenditures</b>	<u>-</u>	<u>40,182</u>	<u>1,492,243</u>	<u>1,839</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,447,072</u>	<u>(26,301)</u>	<u>(1,485,142)</u>	<u>52,678</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	1,537,615	-
Transfers (out)	(1,443,146)	(3,375)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,443,146)</u>	<u>(3,375)</u>	<u>1,537,615</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	3,926	(29,676)	52,473	52,678
Beginning fund balances	469,476	217,422	33,596	285,650
<b>Ending Fund Balances</b>	<u>\$ 473,402</u>	<u>\$ 187,746</u>	<u>\$ 86,069</u>	<u>\$ 338,328</u>

<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>				
<b>CDBG Mitigation Drainage Improvement</b>	<b>Operating Projects</b>	<b>Bamore Road County Mobility Project</b>	<b>Spacek Road County Mobility Project</b>	<b>2014 General Obligation</b>	<b>2017 Certificates of Obligation</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,050,166	-	-	-	-
167	2,065	3,906	443	780	4,634
-	-	125,000	-	-	-
<u>167</u>	<u>2,052,231</u>	<u>128,906</u>	<u>443</u>	<u>780</u>	<u>4,634</u>
-	1,933,768	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	998,036	1,448,373	-	355,217	59,564
-	2,931,804	1,448,373	-	355,217	59,564
<u>167</u>	<u>(879,573)</u>	<u>(1,319,467)</u>	<u>443</u>	<u>(354,437)</u>	<u>(54,930)</u>
85,500	573,145	3,335,295	-	-	-
-	(1,397,795)	-	-	-	(200,100)
<u>85,500</u>	<u>(824,650)</u>	<u>3,335,295</u>	<u>-</u>	<u>-</u>	<u>(200,100)</u>
85,667	(1,704,223)	2,015,828	443	(354,437)	(255,030)
-	2,611,774	2,544,779	334,339	703,234	4,602,851
<u>\$ 85,667</u>	<u>\$ 907,551</u>	<u>\$ 4,560,607</u>	<u>\$ 334,782</u>	<u>\$ 348,797</u>	<u>\$ 4,347,821</u>

**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, 2021

**Capital Projects Funds**

	<u>Street Improvement</u>	<u>Capital Improvement</u>	<u>Seabourne Creek Capacity</u>	<u>Dry Creek Capacity</u>
<b>Revenues</b>				
Franchise fees	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	40,943	1,404,273
Intergovernmental	-	-	-	-
Investment revenue	1,642	762	30	1,039
Other revenue	-	-	-	-
<b>Total Revenues</b>	<u>1,642</u>	<u>762</u>	<u>40,973</u>	<u>1,405,312</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	-	-
<b>Capital outlay</b>	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,642</u>	<u>762</u>	<u>40,973</u>	<u>1,405,312</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,376,363	1,102,450	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>2,376,363</u>	<u>1,102,450</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	2,378,005	1,103,212	40,973	1,405,312
Beginning fund balances	-	-	-	-
<b>Ending Fund Balances</b>	<u>\$ 2,378,005</u>	<u>\$ 1,103,212</u>	<u>\$ 40,973</u>	<u>\$ 1,405,312</u>

**Total Nonmajor  
Governmental  
Funds**

\$ 54,105  
515,834  
119,193  
1,445,216  
3,939,933  
20,466  
274,840  

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6,369,587

1,973,269  
1,723,809  
36,365  
3,109,871  

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6,843,314

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(473,727)

9,010,368  
(4,015,263)  

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4,995,105

4,521,378

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14,912,698

\$ 19,434,076

**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, 2021

<b>Hotel and Motel Occupancy Tax</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Hotel and motel taxes	\$ 450,000	\$ 450,000	\$ 515,834	\$ 65,834
Investment earnings	6,000	6,000	986	(5,014)
Other revenue	1,000	1,000	-	(1,000)
<b>Total Revenues</b>	<b>457,000</b>	<b>457,000</b>	<b>516,820</b>	<b>59,820</b>
<b>Expenditures</b>				
<b>Current:</b>				
Economic development	111,050	111,050	30,746	80,304
<b>Capital outlay</b>	<b>-</b>	<b>218,106</b>	<b>199,592</b>	<b>18,514</b>
<b>Total Expenditures</b>	<b>111,050</b>	<b>329,156</b>	<b>230,338</b>	<b>98,818</b>
<b>Excess of Revenues Over Expenditures</b>	<b>345,950</b>	<b>127,844</b>	<b>286,482</b>	<b>158,638</b>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(491,562)	(491,562)	(491,562)	-
<b>Total Other Financing (Uses)</b>	<b>(491,562)</b>	<b>(491,562)</b>	<b>(491,562)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ (145,612)</b>	<b>\$ (363,718)</b>	<b>(205,080)</b>	<b>\$ 158,638</b>
Beginning fund balance			936,048	
<b>Ending Fund Balance</b>			<b>\$ 730,968</b>	

<b>Municipal Court Technology</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Fines and forfeitures	\$ 13,600	\$ 18,700	\$ 21,031	\$ 2,331
Investment earnings	1,300	1,300	665	(635)
Other revenue	30	30	7	(23)
<b>Total Revenues</b>	<b>14,930</b>	<b>20,030</b>	<b>21,703</b>	<b>1,673</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	14,900	20,000	20,000	-
<b>Total Expenditures</b>	<b>14,900</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ 30</b>	<b>\$ 30</b>	<b>1,703</b>	<b>\$ 1,673</b>
Beginning fund balance			2,160	
<b>Ending Fund Balance</b>			<b>\$ 3,863</b>	

**Notes to Supplementary Information:**

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

**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, 2021

Beautification				Variance with
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Final Budget Positive (Negative)
<b>Revenues</b>				
Investment earnings	\$ 500	\$ 500	\$ 251	\$ (249)
Other revenue	24,000	24,000	22,000	(2,000)
<b>Total Revenues</b>	24,500	24,500	22,251	(2,249)
<b>Expenditures</b>				
<b>Current:</b>				
Economic development	10,500	10,500	5,619	4,881
<b>Total Expenditures</b>	10,500	10,500	5,619	4,881
<b>Net Change in Fund Balance</b>	\$ 14,000	\$ 14,000	16,632	\$ 2,632
Beginning fund balance			177,582	
<b>Ending Fund Balance</b>			\$ 194,214	

Law Enforcement				Variance with
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 1,296	\$ 1,296
Investment earnings	3,000	3,000	569	(2,431)
<b>Total Revenues</b>	3,000	3,000	1,865	(1,135)
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	286,300	345,034	165,773	179,261
<b>Total Expenditures</b>	286,300	345,034	165,773	179,261
<b>Net Change in Fund Balance</b>	\$ (283,300)	\$ (342,034)	(163,908)	\$ 178,126
Beginning fund balance			565,991	
<b>Ending Fund Balance</b>			\$ 402,083	

**Notes to Supplementary Information:**

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

**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, 2021

<b>Community Development Block Grant</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>				
Intergovernmental	\$ -	\$ 536,234	\$ 421,611	\$ (114,623)
<b>Total Revenues</b>	<b>-</b>	<b>536,234</b>	<b>421,611</b>	<b>(114,623)</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers (out)	-	(536,234)	(427,851)	108,383
<b>Total Other Financing (Uses)</b>	<b>-</b>	<b>(536,234)</b>	<b>(427,851)</b>	<b>108,383</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(6,240)</b>	<b>\$ (6,240)</b>
Beginning fund balance			310,086	
<b>Ending Fund Balance</b>			<b>\$ 303,846</b>	

<b>Police Asset Forfeiture</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>				
Investment earnings	\$ 500	\$ 500	\$ 63	\$ (437)
<b>Total Revenues</b>	<b>500</b>	<b>500</b>	<b>63</b>	<b>(437)</b>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
Public safety	10,000	10,000	5,611	4,389
<b>Total Expenditures</b>	<b>10,000</b>	<b>10,000</b>	<b>5,611</b>	<b>4,389</b>
<b>Net Change in Fund Balance</b>	<b>\$ (9,500)</b>	<b>\$ (9,500)</b>	<b>(5,548)</b>	<b>\$ 3,952</b>
Beginning fund balance			39,321	
<b>Ending Fund Balance</b>			<b>\$ 33,773</b>	

**Notes to Supplementary Information:**

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

**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, 2021

<b>Park Land Dedication</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Investment earnings	\$ 5,000	\$ 5,000	\$ 1,010	\$ (3,990)
Other revenues	5,000	5,000	127,840	122,840
<b>Total Revenues</b>	<b>10,000</b>	<b>10,000</b>	<b>128,850</b>	<b>118,850</b>
<b>Expenditures</b>				
<b>Current:</b>				
Capital outlay	-	385,000	47,250	337,750
<b>Total Expenditures</b>	<b>-</b>	<b>385,000</b>	<b>47,250</b>	<b>337,750</b>
<b>Net Change in Fund Balance</b>	<b>\$ 10,000</b>	<b>\$ (375,000)</b>	<b>81,600</b>	<b>\$ 456,600</b>
Beginning fund balance			702,830	
<b>Ending Fund Balance</b>			<b>\$ 784,430</b>	

<b>Juvenile Case Manager</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Fines and forfeitures	\$ 23,000	\$ 23,000	\$ 26,742	\$ 3,742
Investment earnings	1,000	1,000	193	(807)
<b>Total Revenues</b>	<b>24,000</b>	<b>24,000</b>	<b>26,935</b>	<b>2,935</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	2,000	2,000	-	2,000
<b>Total Expenditures</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>2,000</b>
<b>Excess of Revenues Over Expenditures</b>	<b>22,000</b>	<b>22,000</b>	<b>26,935</b>	<b>4,935</b>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(33,634)	(33,634)	(33,634)	-
<b>Total Other Financing (Uses)</b>	<b>(33,634)</b>	<b>(33,634)</b>	<b>(33,634)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ (11,634)</b>	<b>\$ (11,634)</b>	<b>(6,699)</b>	<b>\$ 4,935</b>
Beginning fund balance			149,863	
<b>Ending Fund Balance</b>			<b>\$ 143,164</b>	

**Notes to Supplementary Information:**

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

**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, 2021

<b>Municipal Court Child Safety</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Fines and forfeitures	\$ 41,000	\$ 41,000	\$ 46,184	\$ 5,184
Investment earnings	1,000	1,000	290	(710)
<b>Total Revenues</b>	<b>42,000</b>	<b>42,000</b>	<b>46,474</b>	<b>4,474</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	53,000	63,400	39,501	23,899
<b>Total Expenditures</b>	<b>53,000</b>	<b>63,400</b>	<b>39,501</b>	<b>23,899</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(11,000)</b>	<b>(21,400)</b>	<b>6,973</b>	<b>28,373</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	(7,800)	(7,800)	(7,800)	-
<b>Total Other Financing (Uses)</b>	<b>(7,800)</b>	<b>(7,800)</b>	<b>(7,800)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ (18,800)</b>	<b>\$ (29,200)</b>	<b>(827)</b>	<b>\$ 28,373</b>
Beginning fund balance			219,059	
<b>Ending Fund Balance</b>			<b>\$ 218,232</b>	

<b>Municipal Court Building Security</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 24,571	\$ 14,571
Investment earnings	-	-	23	23
<b>Total Revenues</b>	<b>10,000</b>	<b>10,000</b>	<b>24,594</b>	<b>14,594</b>
<b>Excess of Revenues Over Expenditures</b>	<b>10,000</b>	<b>10,000</b>	<b>24,594</b>	<b>14,594</b>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(10,000)	(10,000)	(10,000)	-
<b>Total Other Financing (Uses)</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>14,594</b>	<b>\$ 14,594</b>
Beginning fund balance			6,637	
<b>Ending Fund Balance</b>			<b>\$ 21,231</b>	

**Notes to Supplementary Information:**

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

**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, 2021

<b>MUD Fire</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Charges for services	\$ 1,278,000	\$ 1,278,000	\$ 1,446,510	\$ 168,510
Investment earnings	3,000	3,000	562	(2,438)
<b>Total Revenues</b>	<b>1,281,000</b>	<b>1,281,000</b>	<b>1,447,072</b>	<b>166,072</b>
<b>Excess of Revenues Over Expenditures</b>				
	1,281,000	1,281,000	1,447,072	166,072
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(1,443,146)	(1,443,146)	(1,443,146)	-
<b>Total Other Financing (Uses)</b>	<b>(1,443,146)</b>	<b>(1,443,146)</b>	<b>(1,443,146)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ (162,146)</b>	<b>\$ (162,146)</b>	3,926	<b>\$ 166,072</b>
Beginning fund balance			469,476	
<b>Ending Fund Balance</b>			<b>\$ 473,402</b>	

<b>Police Federal Forfeiture</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Intergovernmental	\$ 24,520	\$ 24,520	\$ 13,614	\$ (10,906)
Investment earnings	1,000	1,000	267	(733)
<b>Total Revenues</b>	<b>25,520</b>	<b>25,520</b>	<b>13,881</b>	<b>(11,639)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	88,100	88,100	40,182	47,918
<b>Total Expenditures</b>	<b>88,100</b>	<b>88,100</b>	<b>40,182</b>	<b>47,918</b>
<b>(Deficiency) of Revenues (Under) Expenditures</b>				
	(62,580)	(62,580)	(26,301)	36,279
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	-	-	(3,375)	(3,375)
<b>Total Other Financing (Uses)</b>	<b>-</b>	<b>-</b>	<b>(3,375)</b>	<b>(3,375)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (62,580)</b>	<b>\$ (62,580)</b>	(29,676)	<b>\$ 32,904</b>
Beginning fund balance			217,422	
<b>Ending Fund Balance</b>			<b>\$ 187,746</b>	

**Notes to Supplementary Information:**

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

**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, 2021

<b>Fire Station #3</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 6,736	\$ 6,736
Investment earnings	800	800	365	(435)
<b>Total Revenues</b>	<b>800</b>	<b>800</b>	<b>7,101</b>	<b>6,301</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	1,538,416	1,538,416	1,492,243	46,173
<b>Total Expenditures</b>	<b>1,538,416</b>	<b>1,538,416</b>	<b>1,492,243</b>	<b>46,173</b>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<b>(1,537,616)</b>	<b>(1,537,616)</b>	<b>(1,485,142)</b>	<b>52,474</b>
<b>Other Financing Sources</b>				
Transfers in	1,537,615	1,537,615	1,537,615	-
<b>Total Other Financing Sources</b>	<b>1,537,615</b>	<b>1,537,615</b>	<b>1,537,615</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1)</b>	<b>\$ (1)</b>	<b>52,473</b>	<b>\$ 52,474</b>
Beginning fund balance			33,596	
<b>Ending Fund Balance</b>			<b>\$ 86,069</b>	
<b>Cable PEG Fees</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Franchise fees	\$ 57,000	\$ 57,000	\$ 54,105	\$ (2,895)
Investment earnings	1,000	1,000	412	(588)
<b>Total Revenues</b>	<b>58,000</b>	<b>58,000</b>	<b>54,517</b>	<b>(3,483)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Capital outlay	15,000	15,000	1,839	13,161
<b>Total Expenditures</b>	<b>15,000</b>	<b>15,000</b>	<b>1,839</b>	<b>13,161</b>
<b>Net Change in Fund Balance</b>	<b>\$ 43,000</b>	<b>\$ 43,000</b>	<b>52,678</b>	<b>\$ 9,678</b>
Beginning fund balance			285,650	
<b>Ending Fund Balance</b>			<b>\$ 338,328</b>	

**Notes to Supplementary Information:**

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

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

CDBG Mitigation Drainage Improvement				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>				
Investment earnings	\$ -	\$ -	\$ 167	\$ 167
<b>Total Revenues</b>	-	-	167	167
<b>Excess of Revenues Over Expenditures</b>				
	-	-	167	167
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	-	85,500	85,500	-
<b>Total Other Financing Sources</b>	-	85,500	85,500	-
<b>Net Change in Fund Balance</b>	\$ -	\$ 85,500	85,667	\$ 167
Beginning fund balance			-	
<b>Ending Fund Balance</b>			\$ 85,667	

**Notes to 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**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
September 30, 2021

	<u>Health Insurance</u>	<u>Fleet Replacement</u>	<u>Information Services</u>	<u>Total Internal Service Funds</u>
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 667,828	\$ 7,087,681	\$ 230,499	\$ 7,986,008
Prepaid expense	-	1,409,627	67,534	1,477,161
<b>Total Current Assets</b>	<u>667,828</u>	<u>8,497,308</u>	<u>298,033</u>	<u>9,463,169</u>
<b>Noncurrent assets</b>				
Capital assets:				
Machinery and equipment	-	4,756,103	347,603	5,103,706
Less accumulated depreciation	-	(3,505,485)	(297,678)	(3,803,163)
<b>Total Capital Assets (Net)</b>	<u>-</u>	<u>1,250,618</u>	<u>49,925</u>	<u>1,300,543</u>
<b>Total Noncurrent Assets</b>	<u>-</u>	<u>1,250,618</u>	<u>49,925</u>	<u>1,300,543</u>
<b>Total Assets</b>	<u>667,828</u>	<u>9,747,926</u>	<u>347,958</u>	<u>10,763,712</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	3,385	1,546,667	10,570	1,560,622
<b>Total Current Liabilities</b>	<u>3,385</u>	<u>1,546,667</u>	<u>10,570</u>	<u>1,560,622</u>
<b>Total Liabilities</b>	<u>3,385</u>	<u>1,546,667</u>	<u>10,570</u>	<u>1,560,622</u>
<b>Net Position</b>				
Net investment in capital assets	-	1,250,618	49,925	1,300,543
Unrestricted net position	664,443	6,950,641	287,463	7,902,547
<b>Total Net Position</b>	<u>\$ 664,443</u>	<u>\$ 8,201,259</u>	<u>\$ 337,388</u>	<u>\$ 9,203,090</u>

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**CITY OF ROSENBERG, TEXAS**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**

For the Year Ended September 30, 2021

	<u>Health Insurance</u>	<u>Fleet Replacement</u>	<u>Information Services</u>	<u>Total Internal Service Funds</u>
<b><u>Operating Revenues</u></b>				
Changes for services	\$ 3,951,415	\$ 726,114	\$ 919,339	\$ 5,596,868
<b>Total Operating Revenues</b>	<b>3,951,415</b>	<b>726,114</b>	<b>919,339</b>	<b>5,596,868</b>
<b><u>Operating Expenses</u></b>				
Cost of sales and services	3,925,813	-	750,919	4,676,732
Depreciation	-	353,777	18,774	372,551
<b>Total Operating Expenses</b>	<b>3,925,813</b>	<b>353,777</b>	<b>769,693</b>	<b>5,049,283</b>
<b>Operating Income</b>	<b>25,602</b>	<b>372,337</b>	<b>149,646</b>	<b>547,585</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>				
Investment revenue	533	8,538	283	9,354
<b>Total Nonoperating Revenues</b>	<b>533</b>	<b>8,538</b>	<b>283</b>	<b>9,354</b>
<b>Income Before Transfers</b>	<b>26,135</b>	<b>380,875</b>	<b>149,929</b>	<b>556,939</b>
<b><u>Transfers</u></b>				
Transfers in	-	1,000,000	-	1,000,000
<b>Total Transfers</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>
<b>Change in Net Position</b>	<b>26,135</b>	<b>1,380,875</b>	<b>149,929</b>	<b>1,556,939</b>
Beginning net position	638,308	6,820,384	187,459	7,646,151
<b>Ending Net Position</b>	<b>\$ 664,443</b>	<b>\$ 8,201,259</b>	<b>\$ 337,388</b>	<b>\$ 9,203,090</b>

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**CITY OF ROSENBERG, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**

For the Year Ended September 30, 2021

	<u>Health Insurance</u>	<u>Fleet Replacement</u>	<u>Information Services</u>	<u>Total Internal Service Funds</u>
<b><u>Cash Flows from Operating Activities</u></b>				
Receipts from customers and users	\$ 3,951,415	\$ (680,719)	\$ 874,472	\$ 4,145,168
Payments to suppliers	(3,925,143)	1,546,667	(813,858)	(3,192,334)
<b>Net Cash Provided By Operating Activities</b>	<u>26,272</u>	<u>865,948</u>	<u>60,614</u>	<u>952,834</u>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Transfers from (to) other funds, net	-	1,000,000	-	1,000,000
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Purchase of equipment	-	(245,500)	(11,018)	(256,518)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>-</u>	<u>(245,500)</u>	<u>(11,018)</u>	<u>(256,518)</u>
<b><u>Cash Flows from Investing Activities</u></b>				
Interest on investments	533	8,538	283	9,354
<b>Net Cash Provided by Investing Activities</b>	<u>533</u>	<u>8,538</u>	<u>283</u>	<u>9,354</u>
<b>Net Increase in Cash and Cash Equivalents</b>	26,805	1,628,986	49,879	1,705,670
Cash and cash equivalents, beginning of year	641,023	5,458,695	180,620	6,280,338
<b>Ending Cash and Cash Equivalents</b>	<u>\$ 667,828</u>	<u>\$ 7,087,681</u>	<u>\$ 230,499</u>	<u>\$ 7,986,008</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income	\$ 25,602	\$ 372,337	\$ 149,646	\$ 547,585
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>				
Depreciation	-	353,777	18,774	372,551
<b>Changes in Operating Assets and Liabilities:</b>				
<b>(Increase) Decrease in Current Assets:</b>				
Other receivables	-	2,794	-	2,794
Prepaid items	-	(1,409,627)	(44,867)	(1,454,494)
<b>Increase (Decrease) in Current Liabilities:</b>				
Accounts payable and accrued liabilities	670	1,546,667	(62,939)	1,484,398
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 26,272</u>	<u>\$ 865,948</u>	<u>\$ 60,614</u>	<u>\$ 952,834</u>

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## STATISTICAL SECTION

This part of the City's annual comprehensive 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.

<b>Contents</b>	<b>Page</b>
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 annual comprehensive financial reports from the relevant year.

# CITY OF ROSENBERG, TEXAS

## NET POSITION BY COMPONENT

Last Ten Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2012	2013	2014	2015
Governmental Activities				
Net investment in capital assets	\$ 37,091,238	\$ 37,219,927	\$ 39,982,793	\$ 45,031,276
Restricted	9,305,959	10,581,044	14,669,152	11,657,814
Unrestricted	14,680,942	14,761,496	15,078,116	10,601,523
<b>Total Governmental Activities Net Position</b>	<b>\$ 61,078,139</b>	<b>\$ 62,562,467</b>	<b>\$ 69,730,061</b>	<b>\$ 67,290,613</b>
Business-Type Activities				
Net investment in capital assets	\$ 39,617,050	\$ 43,565,861	\$ 44,504,314	\$ 50,564,934
Unrestricted	11,765,919	13,550,817	16,455,829	18,695,727
<b>Total Business-Type Activities Net Position</b>	<b>\$ 51,382,969</b>	<b>\$ 57,116,678</b>	<b>\$ 60,960,143</b>	<b>\$ 69,260,661</b>
Primary Government				
Net investment in capital assets	\$ 76,708,288	\$ 80,785,788	\$ 84,487,107	\$ 95,596,210
Restricted	9,305,959	10,581,044	14,669,152	11,657,814
Unrestricted	26,446,861	28,312,313	31,533,945	29,297,250
<b>Total Primary Government Net Position</b>	<b>\$ 112,461,108</b>	<b>\$ 119,679,145</b>	<b>\$ 130,690,204</b>	<b>\$ 136,551,274</b>

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**

<b>2016</b>	<b>2017</b>	<b>2018*</b>	<b>2019**</b>	<b>2020</b>	<b>2021</b>
\$ 44,536,858	\$ 39,787,127	\$ 40,381,422	\$ 50,383,520	\$ 54,626,678	\$ 68,230,471
13,429,994	17,217,918	21,514,250	23,769,902	20,375,159	19,353,646
9,022,275	10,315,556	6,875,808	(3,291,936)	(2,925,417)	(2,190,405)
<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>	<u>\$ 85,393,712</u>
\$ 56,850,394	\$ 64,082,657	\$ 65,482,173	\$ 68,980,345	\$ 74,479,660	\$ 74,332,548
18,458,460	19,188,387	19,775,612	24,727,363	24,523,515	25,408,592
<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>	<u>\$ 99,741,140</u>
\$ 101,387,252	\$ 103,869,784	\$ 105,863,595	\$ 119,363,865	\$ 129,106,338	\$ 142,563,019
13,429,994	17,217,918	21,514,250	23,769,902	20,375,159	19,353,646
27,480,735	29,503,943	26,651,420	21,435,427	21,598,098	23,218,187
<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>	<u>\$ 185,134,852</u>

# CITY OF ROSENBERG, TEXAS

## CHANGES IN NET POSITION

Last Ten Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2012	2013	2014	2015
<b>Expenses</b>				
Governmental Activities				
General government	\$ 3,573,695	\$ 4,208,848	\$ 3,995,452	\$ 4,504,358
Public safety	11,487,867	12,043,046	13,430,159	13,688,321
Public works	7,054,048	7,264,024	7,236,352	7,962,151
Community development	2,887,685	2,866,455	2,616,778	3,037,820
Interest on long-term debt	2,005,530	2,194,440	2,039,639	2,095,192
Debt issuance costs	-	-	128,148	65,849
<b>Total Governmental Activities Expenses</b>	<b>\$27,008,825</b>	<b>28,576,813</b>	<b>\$29,446,528</b>	<b>31,353,691</b>
Business-Type Activities				
Water and wastewater	6,870,352	7,236,812	7,163,452	7,862,720
Civic center rentals	-	-	391,242	403,256
<b>Total Business-Type Activities Expenses</b>	<b>6,870,352</b>	<b>7,236,812</b>	<b>7,554,694</b>	<b>8,265,976</b>
<b>Total Primary Government Expenses</b>	<b>\$ 33,879,177</b>	<b>\$ 35,813,625</b>	<b>\$ 37,001,222</b>	<b>\$ 39,619,667</b>
<b>Program Revenues</b>				
Governmental Activities				
Charges for services				
General government	\$ 987,095	\$ 927,203	\$ 850,652	\$ 895,956
Public safety	1,423,286	1,588,845	1,953,287	2,220,117
Public works	4,327,317	4,048,440	4,386,859	4,751,892
Community development	140,449	187,720	104,582	34,992
Operating grants and contributions	311,124	289,050	187,547	252,706
Capital grants and contributions	1,598,036	2,770,160	5,028,824	4,433,455
<b>Total Governmental Activities Program Revenues</b>	<b>8,787,307</b>	<b>9,811,418</b>	<b>12,511,751</b>	<b>12,589,118</b>
Business-Type Activities				
Charges for services				
Water	5,970,615	6,319,988	6,803,044	8,125,375
Wastewater	4,453,529	4,712,109	5,058,751	5,327,572
Civic center rentals	-	-	115,780	78,104
Operating grants and contributions	68,666	282,696	3,997	496,547
Capital grants and contributions	412,122	525,482	517,470	687,808
<b>Total Business-Type Activities Program Revenues</b>	<b>10,904,932</b>	<b>11,840,275</b>	<b>12,499,042</b>	<b>14,715,406</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 19,692,239</b>	<b>\$ 21,651,693</b>	<b>\$ 25,010,793</b>	<b>\$ 27,304,524</b>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (18,221,518)	\$ (18,765,395)	\$ (16,934,777)	\$ (18,764,573)
Business-type activities	4,034,580	4,603,463	4,944,348	6,449,330
<b>Total Primary Government Net Expense</b>	<b>\$ (14,186,938)</b>	<b>\$ (14,161,932)</b>	<b>\$ (11,990,429)</b>	<b>\$ (12,315,243)</b>

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 5,350,906	\$ 4,446,334	\$ 5,539,396	\$ 6,562,067	\$ 6,302,066	\$ 7,159,382
15,997,582	17,405,764	17,388,136	21,781,177	19,633,193	18,991,208
9,224,710	9,408,265	12,564,950	11,988,077	11,731,795	12,493,484
3,704,464	3,885,492	3,093,782	3,878,243	3,992,827	3,697,149
2,140,471	2,362,480	2,311,732	1,716,802	1,356,873	1,411,907
85,470	-	-	-	-	-
<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>	<u>43,753,130</u>
9,445,663	10,386,479	10,898,020	13,586,594	13,614,540	14,056,202
294,626	333,868	479,223	222,330	341,085	344,335
<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>14,400,537</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>	<u>\$ 58,153,667</u>
\$ 842,483	\$ 938,557	\$ 956,304	\$ 862,313	\$ 907,948	\$ 1,110,972
2,251,968	2,477,945	2,922,656	3,555,298	3,706,558	3,059,646
4,693,162	4,977,523	5,333,801	5,778,800	6,129,357	8,050,346
29,291	31,481	27,671	25,005	9,275	25,907
184,004	693,220	1,042,181	742,504	1,366,547	996,929
4,181,490	4,827,839	7,013,826	9,532,748	3,876,159	4,698,466
<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>	<u>17,942,266</u>
9,046,596	10,237,415	11,209,375	13,375,551	12,087,546	14,187,167
5,381,662	5,296,433	5,309,921	5,177,370	5,173,638	6,042,403
99,385	102,605	121,053	109,534	34,812	117,730
-	155,589	6,788	1,336,750	462,325	494,882
778,401	-	-	-	-	-
<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>20,842,182</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>	<u>\$ 38,784,448</u>
\$ (24,321,205)	\$ (23,561,770)	\$ (23,601,557)	\$ (25,429,698)	\$ (27,020,910)	\$ (25,810,864)
5,565,755	5,071,695	5,269,894	6,190,281	3,802,696	6,441,645
<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>	<u>\$ (19,369,219)</u>

# CITY OF ROSENBERG, TEXAS

## CHANGES IN NET POSITION (Continued)

Last Ten Years  
(Accrual Basis of Accounting)

	Fiscal Year			
	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes and fees				
Property tax	\$ 7,495,321	\$ 7,959,179	\$ 8,557,411	\$ 8,833,478
Sales tax	9,535,729	10,537,605	12,407,344	12,642,075
Franchise fees	1,585,406	1,780,202	1,851,747	1,898,719
Hotel occupancy tax	518,212	590,488	676,143	744,371
Investment earnings	55,875	43,146	20,512	33,739
Gain on sale of capital assets	-	-	90,641	172,184
Other revenues	379,081	395,991	337,321	403,605
Transfers in (out)	2,118,609	(1,116,030)	1,107,446	(2,585,254)
<b>Total Governmental Activities</b>	<u>21,688,233</u>	<u>20,190,581</u>	<u>25,048,565</u>	<u>22,142,917</u>
Business-Type Activities				
Investment earnings	11,349	14,216	6,563	11,070
Transfers	(2,118,609)	1,116,030	(1,107,446)	2,595,254
<b>Total Business-Type Activities</b>	<u>(2,107,260)</u>	<u>1,130,246</u>	<u>(1,100,883)</u>	<u>2,606,324</u>
<b>Total Primary Government</b>	<u>19,580,973</u>	<u>21,320,827</u>	<u>23,947,682</u>	<u>24,749,241</u>
<b>Change in Net Position</b>				
Governmental activities	3,466,715	1,425,186	8,113,788	3,378,344
Business-type activities	1,927,320	5,733,709	3,843,465	9,055,654
<b>Total Primary Government</b>	<u>\$ 5,394,035</u>	<u>\$ 7,158,895</u>	<u>\$ 11,957,253</u>	<u>\$ 12,433,998</u>

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 9,573,741	\$ 10,657,377	\$ 11,071,864	\$ 10,875,805	\$ 11,365,321	\$ 11,396,110	
11,781,945	12,521,827	14,474,532	14,108,795	14,701,582	18,578,297	
1,924,699	1,963,484	1,967,554	1,997,165	1,929,747	2,079,378	
642,742	605,264	755,420	537,357	422,436	515,834	
202,646	466,386	954,997	1,361,297	556,245	59,245	
54,717	-	909,746	10,639	-	-	
264,045	420,524	192,669	259,198	424,156	757,590	
(414,816)	(2,741,618)	2,122,861	(1,630,552)	(1,163,643)	5,741,702	
<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>	<u>39,128,156</u>	
67,622	148,877	349,995	629,090	329,128	38,022	
414,816	2,741,618	(2,122,861)	1,630,552	1,163,643	(5,741,702)	
<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>(5,703,680)</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>	<u>33,424,476</u>	
(291,486)	331,474	8,848,086	2,090,006	1,214,934	13,317,292	
6,048,193	7,962,190	3,497,028	8,449,923	5,295,467	737,965	
<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>	<u>\$ 14,055,257</u>	

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

<b>Function</b>	<b>Fiscal Year</b>			
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Property tax	\$ 7,495,321	\$ 7,959,179	\$ 8,557,411	\$ 8,833,478
Sales tax	9,535,729	10,537,605	12,407,344	12,642,075
Franchise fees	1,585,406	1,780,202	1,851,747	1,898,719
Hotel occupancy tax	518,212	590,488	676,143	744,371
<b>Totals</b>	<b>\$ 19,134,668</b>	<b>\$ 20,867,474</b>	<b>\$ 23,492,645</b>	<b>\$ 24,118,643</b>

**Fiscal Year**

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 9,573,741	\$ 10,657,377	\$ 11,071,864	\$ 10,875,805	\$ 11,365,321	\$ 11,396,110
11,781,945	12,521,827	14,474,532	14,108,795	14,701,582	18,578,297
1,924,699	1,963,484	1,967,554	1,997,165	1,929,747	2,079,378
642,742	605,264	755,420	537,357	422,436	515,834
<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>	<u>\$ 32,569,619</u>

# CITY OF ROSENBERG, TEXAS

## FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 39,243	\$ 53,418	\$ 36,067	\$ 19,029
Assigned	497,318	500,982	1,104,350	-
Unassigned	6,243,049	7,834,098	11,894,623	15,450,057
<b>Total General Fund</b>	<u>\$ 6,779,610</u>	<u>\$ 8,388,498</u>	<u>\$ 13,035,040</u>	<u>\$ 15,469,086</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	20,443,337	23,197,272	28,526,910	25,129,068
Committed	-	-	-	-
Assigned	545,525	-	-	-
Unassigned	-	(835)	-	-
<b>Total Other Governmental Funds</b>	<u>\$ 20,988,862</u>	<u>\$ 23,196,437</u>	<u>\$ 28,526,910</u>	<u>\$ 25,129,068</u>

**Fiscal Year**

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 25,289	\$ 35,591	\$ 86,289	\$ 98,792	\$ 80,898	\$ 86,994
-	-	4,293,929	1,750,000	300,000	300,000
15,670,160	17,057,874	15,887,549	15,926,869	18,906,187	18,729,598
<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>	<u>\$ 19,116,592</u>
\$ -	\$ 1,981	\$ 1,981	\$ 110	\$ 977	\$ 428
26,495,326	27,069,605	36,048,452	34,609,621	28,293,018	24,088,535
-	-	-	-	-	4,388,768
-	-	-	-	-	-
-	(98,147)	(154,614)	-	-	-
<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>	<u>\$ 28,477,731</u>

**CITY OF ROSENBERG, TEXAS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**

Last Ten Years  
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2012	2013	2014	2015
<b>Revenues</b>				
Taxes	\$ 19,158,616	\$ 20,846,124	\$ 23,512,541	\$ 24,116,844
Licenses and permits	585,083	613,391	771,303	822,193
Fines and forfeitures	665,836	657,690	573,433	612,230
Fees and charges for services	4,173,636	3,835,622	4,035,891	4,392,627
Intergovernmental	3,667,174	5,206,542	9,495,522	7,419,273
Investment earnings	52,723	39,527	19,061	31,637
Other	710,964	536,217	450,829	505,433
<b>Total Revenues</b>	<u>29,014,032</u>	<u>31,735,113</u>	<u>38,858,580</u>	<u>37,900,237</u>
<b>Expenditures</b>				
General government	3,353,809	3,309,484	3,446,026	3,787,085
Public safety	10,725,354	11,126,683	12,519,502	12,958,143
Public works	4,819,422	4,407,271	4,511,391	5,059,614
Community development	2,351,073	2,528,271	2,283,655	2,772,737
Capital outlay	7,577,210	9,666,080	6,903,952	7,871,262
Debt service:				
Principal	4,345,981	6,152,414	4,906,639	4,916,983
Interest and fiscal charges	1,983,170	2,123,645	2,101,713	2,177,290
Debt issuance costs	86,134	237,886	128,148	65,849
<b>Total Expenditures</b>	<u>35,242,153</u>	<u>39,551,734</u>	<u>36,801,026</u>	<u>39,608,963</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(6,228,121)</u>	<u>(7,816,621)</u>	<u>2,057,554</u>	<u>(1,708,726)</u>
<b>Other Financing Sources (Uses)</b>				
Debt issuance	8,600,000	12,410,000	6,565,000	3,000,000
Refunding bonds issued	-	-	-	-
Premium on bonds	-	227,641	133,572	168,000
Insurance proceeds	-	19,666	41,362	6,730
Payments to refunding bond escrow agent	-	-	-	-
Proceeds on sale of capital assets	49,000	32,665	72,080	165,454
Transfers in	4,382,807	5,179,079	5,200,179	7,024,867
Transfers out	(2,267,169)	(6,295,109)	(4,092,732)	(9,620,121)
<b>Total Other Financing Sources (Uses)</b>	<u>10,764,638</u>	<u>11,573,942</u>	<u>7,919,461</u>	<u>744,930</u>
<b>Net Change in Fund Balances</b>	<u>\$ 4,536,517</u>	<u>\$ 3,757,321</u>	<u>\$ 9,977,015</u>	<u>\$ (963,796)</u>
Debt service as a percentage of noncapital expenditures	22.9%	27.2%	22.9%	21.9%

**Fiscal Year**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$	23,951,861	\$ 25,745,046	\$ 28,213,601	\$ 27,526,348	\$ 28,373,006	\$ 32,687,832
	748,694	753,493	692,388	832,679	1,061,522	1,080,977
	559,799	663,834	675,460	587,367	613,292	813,590
	4,345,189	4,616,700	5,085,045	5,424,756	5,586,027	7,498,177
	7,105,930	3,930,169	10,699,195	17,397,749	8,800,747	8,468,826
	189,633	437,116	895,364	1,247,237	556,245	59,245
	304,601	698,751	454,921	857,088	369,445	757,590
	<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>	<u>51,366,237</u>
	3,864,072	3,787,501	5,030,650	5,724,217	5,333,610	6,924,283
	14,226,773	15,323,946	15,776,535	17,373,943	18,789,715	18,360,549
	5,590,942	5,894,608	7,130,734	7,361,297	7,507,476	8,176,742
	3,303,417	3,413,792	2,374,504	2,445,485	2,753,123	2,678,006
	10,396,946	5,815,083	8,850,948	12,763,002	6,261,661	9,438,100
	5,236,922	5,660,000	10,262,726	8,260,000	6,535,000	8,910,000
	2,224,256	2,246,523	2,170,996	2,100,491	1,720,517	1,607,016
	85,470	239,118	306,478	-	126,464	-
	<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>56,094,696</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>	<u>(4,728,459)</u>
	9,760,000	9,825,000	9,320,000	-	-	-
	-	7,390,000	4,950,000	-	7,075,000	-
	209,584	687,315	551,465	-	827,640	-
	21,355	19,900	22,215	34,430	54,711	-
	-	(7,841,447)	-	-	(7,930,738)	-
	39,589	114,505	983,338	10,639	-	-
	5,858,844	6,926,714	7,065,926	11,163,252	8,115,582	16,610,459
	(6,573,660)	(9,710,396)	(5,608,665)	(12,831,304)	(9,279,225)	(11,868,757)
	<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>4,741,702</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>	<u>13,243</u>
	20.2%	20.2%	26.7%	23.2%	19.0%	22.5%

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

	<b>Fiscal Year</b>			
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Property tax	\$ 7,519,269	\$ 7,937,829	\$ 8,577,307	\$ 8,831,679
Sales tax	9,535,729	10,537,605	12,407,344	12,642,075
Franchise fees	1,585,406	1,780,202	1,851,747	1,898,719
Hotel occupancy tax	518,212	590,488	676,143	744,371
<b>Totals</b>	<b>\$ 19,158,616</b>	<b>\$ 20,846,124</b>	<b>\$ 23,512,541</b>	<b>\$ 24,116,844</b>

<b>Fiscal Year</b>					
<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 9,602,475	\$ 10,654,471	\$ 11,016,095	\$ 10,883,031	\$ 11,319,241	\$ 11,514,323
11,781,945	12,521,827	13,635,372	14,108,795	14,701,582	18,578,297
1,924,699	1,963,484	1,967,554	1,997,165	1,929,747	2,079,378
642,742	605,264	755,420	537,357	422,436	515,834
<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>	<u>\$ 32,687,832</u>

# CITY OF ROSENBERG, TEXAS

## TAXABLE SALES BY CATEGORY

Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
Manufacturing	\$ 33,319,926	\$ 34,755,374	\$ 71,023,948	\$ 44,265,651
Construction	4,983,655	5,478,498	5,699,322	6,761,025
Mining/Oil and Gas Extraction	156,604	217,256	698,165	661,261
Wholesale Trade	15,371,499	14,399,273	24,760,219	29,725,965
Retail Trade	384,003,024	439,367,655	475,049,147	499,317,990
Information	9,711,481	12,557,755	16,434,007	18,819,964
Finance/Insurance	1,493,134	1,552,677	1,582,285	1,662,748
Real Estate/Rental/Leasing	3,324,471	3,511,362	2,813,209	3,175,468
Professional/Scientific/Technical	1,737,784	1,837,041	2,055,795	2,225,002
Administration/Waste Management	4,743,465	5,258,948	5,149,744	7,761,946
Entertainment/Recreation	79,539	16,075	22,415	347,356
Accommodation/Food Service	80,285,088	88,682,555	95,710,727	104,003,993
Other Services	7,477,950	8,477,137	9,342,029	10,499,800
Other	-	-	-	-
<b>Totals</b>	<u>\$ 546,687,620</u>	<u>\$ 616,111,606</u>	<u>\$ 710,341,012</u>	<u>\$ 729,228,169</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 2021 fiscal year. The fourth quarter is not currently available.

<b>Fiscal Year</b>						
<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021 *</b>	
\$ 15,128,366	\$ 21,052,228	\$ 43,420,104	\$ 28,469,626	\$ 30,892,103	\$ 37,765,330	
5,002,267	5,662,186	7,465,976	7,031,676	8,894,735	6,239,881	
292,920	443,889	3,020,459	1,158,820	1,070,495	370,975	
22,074,684	130,446,207	233,498,069	245,773,076	255,967,179	317,960,533	
459,438,625	388,297,566	391,644,609	373,129,042	385,749,354	329,923,128	
19,509,936	18,338,120	19,587,627	19,132,131	14,139,158	12,329,022	
1,656,975	1,661,182	1,686,975	1,506,495	1,781,072	1,197,424	
3,283,675	3,787,231	3,512,415	3,758,665	5,079,619	3,512,348	
2,346,951	2,346,951	2,503,002	2,363,759	2,660,549	2,970,547	
11,318,786	13,902,188	17,984,064	20,599,942	28,322,633	24,989,672	
1,869,409	3,214,948	5,055,283	5,233,748	3,271,645	2,413,949	
107,277,110	111,620,479	119,503,935	121,340,113	116,864,759	101,913,564	
11,417,087	13,201,471	14,263,882	13,902,554	13,407,230	11,503,906	
-	1,200.00	-	-	-	-	
<u>\$ 660,616,791</u>	<u>\$ 713,975,846</u>	<u>\$ 863,146,400</u>	<u>\$ 843,399,647</u>	<u>\$ 868,100,531</u>	<u>\$ 853,090,279</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			
	2012	2013	2014	2015
Residential Property	\$ 653,022,105	\$ 679,387,315	\$ 749,359,856	\$ 792,288,805
Commercial Property	906,727,249	957,903,509	1,004,574,850	1,048,609,929
Personal Property	232,900,324	247,958,051	280,163,875	288,757,261
<b>Less: Tax Exempt Property</b>	<u>(315,949,304)</u>	<u>(341,872,159)</u>	<u>(342,400,025)</u>	<u>(345,917,083)</u>
<b>Total Taxable Assessed Value (1)</b>	<u>\$ 1,476,700,374</u>	<u>\$ 1,543,376,716</u>	<u>\$ 1,691,698,556</u>	<u>\$ 1,783,738,912</u>
<b>Total Direct Tax Rate</b>	\$ 0.50000	\$ 0.51000	\$ 0.50000	\$ 0.49000

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 909,775,642	\$ 1,026,346,467	\$ 1,165,054,442	\$ 1,299,128,613	\$ 1,408,588,051	\$ 1,494,231,940
1,059,601,822	1,331,364,289	1,362,148,541	1,382,895,685	1,453,067,836	1,665,885,439
301,546,216	288,805,245	348,221,145	390,188,821	411,559,420	403,140,153
(337,543,351)	(447,394,435)	(530,701,399)	(571,037,012)	(615,374,870)	(749,208,279)
<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>	<u>\$ 2,814,049,253</u>
\$ 0.47000	\$ 0.47000	\$ 0.46200	\$ 0.43000	\$ 0.41500	\$ 0.40000

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

Tax Rates*		City Direct Rates			Overlapping Rates <sup>(1)</sup>		Total City
Fiscal Year	Tax Year	Operating Tax Rate	Debt Service Rate	Total Tax Rate	Lamar CISD	Fort Bend County	Not In MUD Total Overlapping Rate
2012	2011	\$ 0.24500	\$ 0.25500	\$ 0.50000	\$ 1.39005	\$ 0.49976	\$ 2.38981
2013	2012	\$ 0.26000	\$ 0.25000	\$ 0.51000	\$ 1.39005	\$ 0.49976	\$ 2.39981
2014	2013	\$ 0.26630	\$ 0.23370	\$ 0.50000	\$ 1.39005	\$ 0.49976	\$ 2.38981
2015	2014	\$ 0.25858	\$ 0.23142	\$ 0.49000	\$ 1.39005	\$ 0.49476	\$ 2.37481
2016	2015	\$ 0.21626	\$ 0.25374	\$ 0.47000	\$ 1.39005	\$ 0.48600	\$ 2.34605
2017	2016	\$ 0.21434	\$ 0.25566	\$ 0.47000	\$ 1.39005	\$ 0.47400	\$ 2.33405
2018	2017	\$ 0.27464	\$ 0.18736	\$ 0.46200	\$ 1.39005	\$ 0.46900	\$ 2.32105
2019	2018	\$ 0.26909	\$ 0.16092	\$ 0.43000	\$ 1.39000	\$ 0.46400	\$ 2.28400
2020	2019	\$ 0.25411	\$ 0.16089	\$ 0.41500	\$ 1.32000	\$ 0.46000	\$ 2.19500
2021	2020	\$ 0.26570	\$ 0.13430	\$ 0.40000	\$ 1.26910	\$ 0.45321	\$ 2.12231

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 owners (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<sup>(1)</sup>

Fort Bend Mud #94		Fort Bend Mud #144		Fort Bend Mud #147		Fort Bend Mud #148	
MUD Rate	Overlapping Rate	MUD Rate	Overlapping Rate	MUD Rate	Overlapping Rate	MUD Rate	Overlapping Rate
\$0.77000	\$3.15981	\$0.80000	\$3.18981	\$0.95000	\$3.33981	\$0.90000	\$ 3.28981
\$0.77000	\$3.16981	\$0.80000	\$3.19981	\$0.95000	\$3.34981	\$0.90000	\$ 3.29981
\$0.71000	\$3.09981	\$0.80000	\$3.18981	\$0.95000	\$3.33981	\$0.90000	\$ 3.28981
\$0.66000	\$3.03481	\$0.80000	\$3.17481	\$0.95000	\$3.32481	\$0.90000	\$ 3.27481
\$0.58000	\$2.92605	\$0.80000	\$3.14605	\$0.95000	\$3.29605	\$0.88000	\$ 3.22605
\$0.50000	\$2.83405	\$0.80000	\$3.13405	\$0.95000	\$3.28405	\$0.83000	\$ 3.16405
\$0.47000	\$2.79105	\$0.80000	\$3.12105	\$0.95000	\$3.27105	\$0.76000	\$ 3.08105
\$0.44000	\$2.72400	\$0.79000	\$3.07400	\$0.95000	\$3.23400	\$0.66000	\$ 2.94400
\$0.43000	\$2.62500	\$0.79000	\$2.98500	\$0.95000	\$3.14500	\$0.66000	\$ 2.85500
\$0.42265	\$2.54496	\$0.79000	\$2.91231	\$0.95000	\$3.07231	\$0.63000	\$ 2.75231

Overlapping Rates<sup>(1)</sup>

Tax Rates*		Fort Bend Mud #159		Fort Bend Mud #167		Fort Bend Mud #233	
Fiscal Year	Tax Year	MUD Rate	Overlapping Rate	MUD Rate	Overlapping Rate	MUD Rate	Overlapping Rate
2012	2011	\$0.84000	\$3.22981	\$0.89000	\$3.27981	N/A	N/A
2013	2012	\$0.84000	\$3.23981	\$0.89000	\$3.28981	N/A	N/A
2014	2013	\$0.84000	\$3.22981	\$0.89000	\$3.27981	N/A	N/A
2015	2014	\$0.78000	\$3.15481	\$0.89000	\$3.26481	N/A	N/A
2016	2015	\$0.72000	\$3.06605	\$0.85000	\$3.19605	N/A	N/A
2017	2016	\$0.72000	\$3.05405	\$0.85000	\$3.18405	N/A	N/A
2018	2017	\$0.72000	\$3.04105	\$0.85000	\$3.17105	N/A	N/A
2019	2018	\$0.72000	\$3.00400	\$0.85000	\$3.13400	N/A	N/A
2020	2019	\$0.72000	\$2.91500	\$0.82000	\$3.01500	N/A	N/A
2021	2020	\$0.71000	\$2.83231	\$0.75000	\$2.87231	\$0.90000	\$ 3.02231

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# CITY OF ROSENBERG, TEXAS

## PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	Fiscal Year					
	2021			2012		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
Brazos TC - Partnership A, LP	\$ 80,519,894	1	2.86%	\$ 56,137,650	1	3.83%
Brazos TC - South Partnership A, LP	52,258,195	2	1.86%	-	-	- %
Dolce Rosenberg Master LLC	35,149,770	3	1.25%	-	-	- %
GSSW Brazos Ranch LLC	32,898,770	4	1.17%	-	-	- %
Aldi (Texas) LLC	27,385,901	5	0.97%	-	-	- %
Continental 453 Fund LLC	24,611,360	6	0.87%	-	-	- %
Dollar Tree Distribution Inc	23,395,652	7	0.83%	-	-	- %
Gulf South Pipeline CO LP	20,733,680	8	0.74%	-	-	- %
Kroger Texas LP	20,535,780	9	0.73%	17,625,340	4	1.20%
Centerpoint Energy Electric	19,298,590	10	0.69%	12,336,750	8	0.84%
A-S 92 Hwy 59 Reading Rd LP	-	-	- %	38,722,290	2	2.65%
Inland American Rosenberg Brazos	-	-	- %	20,253,980	3	1.38%
National Oilwell Downhole Tools	-	-	- %	16,812,010	5	1.15%
Brazos TC - South Partnership B, LP	-	-	- %	16,421,080	6	1.12%
Alcurt Rosenberg	-	-	- %	12,555,000	7	0.86%
Gurecky Manufacturing Service Inc	-	-	- %	10,473,790	9	0.72%
Seatex LTD	-	-	- %	10,371,150	10	0.71%
Subtotal	<u>336,787,592</u>		<u>11.97%</u>	<u>211,709,040</u>		<u>14.34%</u>
Other Taxpayers	<u>2,477,261,661</u>		<u>88.03%</u>	<u>1,264,991,334</u>		<u>85.66%</u>
<b>Total</b>	<u><u>\$ 2,814,049,253</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 1,476,700,374</u></u>		<u><u>100.00%</u></u>

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

# CITY OF ROSENBERG, TEXAS

## PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Tax levy	\$ 7,380,968	\$ 7,881,653	\$ 8,491,306	\$ 8,960,577
Current tax collected	7,317,653	7,794,028	8,387,692	8,848,290
Percentage of current tax collections	99.14%	98.89%	98.78%	98.75%
Delinquent tax collections	<u>53,239</u>	<u>81,590</u>	<u>96,273</u>	<u>104,748</u>
Total tax collections	<u>\$ 7,370,892</u>	<u>\$ 7,875,618</u>	<u>\$ 8,483,965</u>	<u>\$ 8,953,038</u>
Total collections as a percentage of current levy	99.86%	99.92%	99.91%	99.92%
Outstanding delinquent taxes	\$ 10,076	\$ 6,035	\$ 7,341	\$ 7,539

Source: Tax assessor/collector's records.

<b>Fiscal Year</b>						
<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	
\$ 9,533,916	\$ 10,596,958	\$ 11,001,414	\$ 10,817,545	\$ 11,067,047	\$ 11,423,694	
9,452,428	10,499,723	10,853,779	10,690,573	10,987,474	11,344,205	
99.15%	99.08%	98.66%	98.83%	99.28%	99.30%	
74,335	82,341	128,081	97,512	44,471	-	
<u>\$ 9,526,763</u>	<u>\$ 10,582,064</u>	<u>\$ 10,981,860</u>	<u>\$ 10,788,085</u>	<u>\$ 11,031,945</u>	<u>\$ 11,344,205</u>	
99.92%	99.86%	99.82%	99.73%	99.68%	99.30%	
\$ 7,153	\$ 14,894	\$ 19,554	\$ 29,460	\$ 35,102	\$ 79,490	

# CITY OF ROSENBERG, TEXAS

## RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
<b>Primary Government</b>				
<b>Governmental Activities:</b>				
General obligation bonds	\$ 16,890,000	\$ 16,360,000	\$ 15,860,000	\$ 13,975,000
Certificates of obligation	38,435,000	45,745,000	48,380,000	48,660,000
Notes payable	675,009	462,595	305,956	156,922
Tax anticipation notes	790,000	480,000	160,000	-
Bond issuance premiums	575,279	758,689	830,550	921,760
	<u>57,365,288</u>	<u>63,806,284</u>	<u>65,536,506</u>	<u>63,713,682</u>
<b>Business-Type Activities:</b>				
Revenue bonds	1,614,000	334,000	314,000	294,000
Capital leases	1,483,394	1,470,997	1,421,834	1,343,434
Notes payable	4,065,987	3,529,016	2,976,029	2,406,433
<b>Total Business-Type Activities</b>	<u>7,163,381</u>	<u>5,334,013</u>	<u>4,711,863</u>	<u>4,043,867</u>
<b>Total Primary Government</b>	<u>\$ 64,528,669</u>	<u>\$ 69,140,297</u>	<u>\$ 70,248,369</u>	<u>\$ 67,757,549</u>
<b>Personal Income</b>	\$ 613,656,988	\$ 649,097,960	\$ 664,145,547	\$ 785,369,376
<b>Debt as a Percentage of Personal Income</b>	11.74%	9.52%	9.76%	9.79%
<b>Population</b>	32,018	33,070	34,127	34,896
<b>Debt Per Capita</b>	\$ 2,015	\$ 2,091	\$ 2,058	\$ 1,942

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

		<b>Fiscal Year</b>									
		<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>				
\$	12,050,000	\$	15,460,000	\$	18,725,000	\$	14,825,000	\$	17,725,000	\$	15,970,000
	55,265,000		55,595,000		56,425,000		52,060,000		41,915,000		34,760,000
	-		-		-		-		-		-
	-		-		-		-		-		-
	1,054,554		1,613,624		1,999,347		1,636,091		1,973,162		1,789,143
	68,369,554		72,668,624		77,149,347		68,521,091		61,613,162		52,519,143
	273,000		252,000		231,000		210,000		189,000		164,000
	1,819,225		1,215,771		1,051,607		944,544		706,988		262,902
	1,251,607		1,154,959		594,009		-		-		-
	3,343,832		2,622,730		1,876,616		1,154,544		895,988		426,902
\$	71,713,386	\$	75,291,354	\$	79,025,963	\$	69,675,635	\$	62,509,150	\$	52,946,045
\$	791,108,406	\$	809,855,904	\$	827,095,500	\$	884,064,540	\$	914,403,852	\$	978,024,450
	9.06%		7.95%		9.55%		7.88%		6.84%		5.41%
	35,151		35,984		36,750		37,516		38,282		40,001
\$	2,040	\$	2,092	\$	2,150	\$	1,857	\$	1,633	\$	1,324

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

	Fiscal Year			
	2012	2013	2014	2015
<b>Net Taxable Assessed Value</b>				
All property	\$ 1,476,700,374	\$ 1,543,376,716	\$ 1,691,698,556	\$ 1,783,738,912
<b>Net bonded Debt</b>				
General obligation bonds	16,890,000	16,360,000	15,860,000	13,975,000
Certificates of obligation	38,435,000	45,745,000	48,380,000	48,660,000
Bond issuance premiums	575,279	758,689	830,550	921,760
Less debt service funds	5,170,780	4,990,181	4,976,742	5,014,535
<b>Total General Bonded Debt</b>	<u>\$ 50,729,499</u>	<u>\$ 57,873,508</u>	<u>\$ 60,093,808</u>	<u>\$ 58,542,225</u>
<b>Percentage of Actual Taxable Value of Property</b>	3.44%	3.75%	3.55%	3.28%
<b>Population</b>	32,018	33,070	34,127	34,896
<b>Per Capita</b>	\$ 1,584	\$ 1,750	\$ 1,761	\$ 1,678

<b>Fiscal Year</b>					
<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 1,933,380,329	\$ 2,199,121,566	\$ 2,344,722,729	\$ 2,501,176,107	\$ 2,657,840,437	\$ 2,814,049,253
12,050,000	15,460,000	18,725,000	14,825,000	17,725,000	15,970,000
55,265,000	55,595,000	56,425,000	52,060,000	41,915,000	34,760,000
1,054,554	1,613,624	1,999,347	1,636,091	1,973,162	1,789,143
<u>5,028,226</u>	<u>5,681,677</u>	<u>5,900,145</u>	<u>5,839,495</u>	<u>5,856,535</u>	<u>5,077,025</u>
<u>\$ 63,341,328</u>	<u>\$ 66,986,947</u>	<u>\$ 71,249,202</u>	<u>\$ 62,681,596</u>	<u>\$ 55,756,627</u>	<u>\$ 47,442,118</u>
3.28%	3.05%	3.04%	2.51%	2.10%	1.69%
35,151	35,984	36,750	37,516	38,282	40,001
\$ 1,802	\$ 1,862	\$ 1,939	\$ 1,671	\$ 1,456	\$ 1,186

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**CITY OF ROSENBERG, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
September 30, 2021

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Fort Bend County	\$ 632,206,234	3.33%	\$ 21,052,468
Fort Bend County Drainage District	\$ 25,405,000	3.33%	845,987
Fort Bend MUD No. 94	\$ 3,630,000	100.00%	3,630,000
Fort Bend MUD No. 144	\$ 35,630,000	100.00%	35,630,000
Fort Bend MUD No. 147	\$ 7,225,000	100.00%	7,225,000
Fort Bend MUD No. 148	\$ 5,530,000	100.00%	5,530,000
Fort Bend MUD No. 152	\$ 30,215,000	0.42%	126,903
Fort Bend MUD No. 159	\$ 4,330,000	100.00%	4,330,000
Fort Bend MUD No. 167	\$ 26,530,000	100.00%	26,530,000
Lamar Consolidated Independent School District	\$ 1,337,905,000	14.80%	198,009,940
<b>Total Overlapping Rates</b>			<u>302,910,297</u>
<b>City Direct Debt</b>			<u>50,898,000</u>
<b>Total Direct and Overlapping Rates (1)</b>			<u><u>\$ 353,808,297</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			
	2012	2013	2014	2015
Debt limit	\$ 154,515,089	\$ 166,597,038	\$ 181,299,013	\$ 189,615,990
Total net debt applicable to limit	<u>50,944,220</u>	<u>57,594,819</u>	<u>59,737,258</u>	<u>58,858,229</u>
Legal debt margin	<u>\$ 103,570,869</u>	<u>\$ 109,002,219</u>	<u>\$ 121,561,755</u>	<u>\$ 130,757,761</u>
Total net debt applicable to the limit as a percentage of debt limit	32.97%	34.57%	32.95%	31.04%
Legal debt margin calculation by fiscal year				
Assessed value	\$ 1,545,150,888	\$ 1,665,970,375	\$ 1,812,990,131	\$ 1,896,159,898
Debt limit (10% of assessed value)	154,515,089	166,597,038	181,299,013	189,615,990
Debt applicable to limit:				
General obligation bonds	51,655,000	56,115,000	64,714,000	63,850,760
Less: amount set aside for obligation debt	<u>(5,170,780)</u>	<u>(4,990,181)</u>	<u>(4,976,742)</u>	<u>(5,014,535)</u>
Total net debt applicable to limit	<u>46,484,220</u>	<u>51,124,819</u>	<u>59,737,258</u>	<u>58,836,225</u>
Legal debt margin	<u>\$ 108,030,869</u>	<u>\$ 115,472,219</u>	<u>\$ 121,561,755</u>	<u>\$ 130,779,765</u>

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

**Fiscal Year**

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 203,925,239	\$ 219,912,157	\$ 234,472,273	\$ 250,117,611	\$ 265,784,044	\$ 281,404,925
62,286,774	65,562,263	69,249,855	61,045,505	53,783,465	45,820,975
<u>\$ 141,638,465</u>	<u>\$ 154,349,894</u>	<u>\$ 165,222,418</u>	<u>\$ 189,072,106</u>	<u>\$ 212,000,579</u>	<u>\$ 235,583,951</u>
30.54%	29.81%	29.53%	24.41%	20.24%	16.28%
\$ 2,039,252,388	\$ 2,199,121,566	\$ 2,344,722,729	\$ 2,501,176,107	\$ 2,657,840,437	\$ 2,814,049,253
203,925,239	219,912,157	234,472,273	250,117,611	265,784,044	281,404,925
67,315,000	71,055,000	75,150,000	66,885,000	59,640,000	50,898,000
(5,028,226)	(5,681,677)	(5,900,145)	(5,839,495)	(5,856,535)	(5,077,025)
62,286,774	65,373,323	69,249,855	61,045,505	53,783,465	45,820,975
<u>\$ 141,638,465</u>	<u>\$ 154,538,834</u>	<u>\$ 165,222,418</u>	<u>\$ 189,072,106</u>	<u>\$ 212,000,579</u>	<u>\$ 235,583,951</u>

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

Tax Obligation Debt Service Requirements for fiscal year 2022		\$	8,867,641
Debt Service Fund, September 30, 2021	\$	5,077,025	
Debt Service Fund Tax Levy at 99% Collection		4,736,936	
Estimated Prior Year Delinquent Taxes		45,000	
Estimated Transfer from Water/Wastewater Fund		3,522,372	
Estimated Transfer from Rosenberg Development Corporation		189,582	
Estimated Transfer from Subsidence Fund		304,470	
Estimated Investment Income		6,500	
Estimated Debt Service Fund Balance, September 30, 2022		<u>13,881,885</u>	<u>\$ 5,014,244</u>
General Obligation and/or Revenue Bonds			
Authorized but Unissued for 2021		None	
Floating Debt Outstanding for 2021		None	

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# CITY OF ROSENBERG, TEXAS

## COMPUTATION OF SELF SUPPORTING DEBT

September 30, 2021

### Waterworks and Wastewater System

Net system revenue available at September 30, 2021	\$	8,061,446
Less: 2022 requirements for revenue bonds		21,000
Balance available for other purposes	\$	<u>8,040,446</u>
Debt service coverage ratio		2.10
2022 requirements for system tax or general obligation bonds (1)	\$	3,826,842
Percentage of system general obligation bonds self-supporting		100%

### Rosenberg Development Corporation

Net system revenue available at September 30, 2021	\$	4,570,673
Less: 2022 requirements for revenue bonds		-
Balance available for other purposes	\$	<u>4,570,673</u>
2022 requirements for general obligation bonds paid by the Corporation (1)	\$	<u>189,582</u>
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

<b>Fiscal Year Ended</b>	<b>Population (1)</b>	<b>Personal Income</b>	<b>Per Capita Personal Income (2)</b>	<b>Median Age (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate</b>
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	34,896	\$ 785,369,376	\$ 22,506	32.0	29,786	4.1%
2016	35,151	\$ 791,108,406	\$ 22,506	32.0	30,891	5.0%
2017	35,984	\$ 809,855,904	\$ 22,506	32.0	32,391	4.0%
2018	36,750	\$ 827,095,500	\$ 22,506	32.0	33,641	3.9%
2019	37,516	\$ 884,064,540	\$ 23,565	32.0	35,391	3.4%
2020	38,282	\$ 914,403,852	\$ 23,886	33.8	36,820	7.2%
2021	40,001	\$ 978,024,450	\$ 24,450	33.6	39,171	5.9%

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

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Total City Employment (%)</u>	<u>Employees</u>	<u>Rank</u>	<u>Total City Employment (%)</u>
Lamar Consolidated Independent						
School District	5,283	1	30.95%	2,884	1	20.34%
Texana Center	750	2	4.39%	469	3	3.31%
Frito Lay, Inc.	742	3	4.35%	555	2	3.91%
Dollar Tree	574	4	3.36%	-		0.00%
Fort Bend County Offices - Annex	545	5	3.19%	164	7	1.16%
City of Rosenberg	286	6	1.68%	229	4	1.62%
Kroger	285	7	1.67%	225	5	1.59%
Benedittini Cabinetry	245	8	1.44%	150	8	1.06%
Si Environmental	204	9	1.20%	-		0.00%
Seatex	173	10	1.01%	-		0.00%
Biotics Research Corporation	-	-	-	139	10	0.98%
Allied Concrete	-	-	-	222	6	1.57%
Southwestern Bell/AT&T	-	-	-	142	9	1.00%
<b>Total</b>	<u>9,087</u>		<u>53.24%</u>	<u>5,179</u>		<u>36.54%</u>

Source: City of Rosenberg Economic Development

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

	Fiscal Year			
	2012	2013	2014	2015
<b>General Government</b>	30	30	30	33
<u>Public Safety:</u>				
Police	65	68	74	75
Civilians	21	23	22	25
Animal Control	2	2	3	3
<u>Fire</u>				
Firefighters	37	37	49	52
Civilians	2	2	2	2
<u>Public Works</u>				
Streets and Drainage	15	16	16	18
Building Maintenance	-	-	-	-
Fleet Maintenance	4	4	4	4
<u>Community Development</u>				
Planning	3	3	3	4
Code Enforcement	7	7	8	8
Health	1	1	1	2
Communications	1	1	1	3
Parks and Recreation	11	10	11	10
Hotel and Motel	2	2	-	-
Civic Center	3	3	5	5
Water and Wastewater	25	25	25	27
<b>Total</b>	<b>229</b>	<b>234</b>	<b>255</b>	<b>270</b>

Source: City personnel records

**Fiscal Year**

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
33	34	34	34	34	34
76	82	82	88	90	75
28	28	28	28	28	25
3	4	4	5	5	5
52	52	53	59	59	59
2	2	2	2	2	2
18	19	19	19	19	19
0	2	2	2	2	2
5	5	5	5	5	5
5	5	5	5	5	5
8	8	9	9	11	11
2	2	2	2	2	2
0	0	0	0	0	0
10	9	9	9	9	8
1	1	1	1	1	1
4	3	3	3	3	3
27	27	28	29	29	29
<b>275</b>	<b>283</b>	<b>287</b>	<b>301</b>	<b>305</b>	<b>286</b>

# CITY OF ROSENBERG, TEXAS

## OPERATING INDICATORS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2012	2013	2014	2015
<b>Police</b>				
Arrests	3,440	2,654	2,819	2,875
Accident reports	570	629	767	890
Citations	6,779	5,874	4,239	5,250
Offense reports	3,921	4,229	4,088	4,180
Calls for service	58,414	55,829	51,054	50,843
<b>Fire</b>				
Emergency responses	3,697	3,702	3,792	3,602
Fire incidents	197	239	141	149
Service calls and other calls	3,455	3,333	3,651	3,453
Automatic aid, mutual aid given	45	130	152	83
<b>Water</b>				
Average daily consumption (millions of gallons)	3.63	3.71	3.69	3.87
Total consumption (millions of gallons)	1,333.99	1,357.00	1,353.24	1,411.00
Peak daily consumption	6.46	5.83	6.65	8.20
<b>Sewer</b>				
Average daily sewage treatment (millions of gallons)	2.54	2.32	2.83	2.82
Total consumption (millions of gallons)	931.78	848.52	867.35	1,029.00
Peak daily consumption (millions of gallons)	10.21	7.64	8.42	11.47

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

<b>Fiscal Year</b>					
<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
2,616	2,460	2,272	2,041	1,719	1,701
977	1,083	1,041	1,064	905	974
5,098	5,530	5,037	4,970	5,130	5,751
3,871	3,887	3,666	3,099	2,682	3,758
45,907	52,738	53,253	**61,010	60,929	62,334
4,506	5,076	5,131	5,371	5,512	6,351
*1,370.00	1,507	1,767	1,617	671	2,145
3,036	3,419	3,207	3,754	4,841	4,206
153	150	157	156	74	177
3.94	4.09	4.30	5.90	5.40	5.84
1,438.00	1,493.00	1,680.30	2,170.00	1,977.80	2,131.81
8.60	6.90	11.20	7.98	10.70	10.66
3.01	3.23	2.90	3.36	3.05	3.56
1,098.00	1,179.00	1,070.00	1,228.75	1,112.20	1,299.82
9.63	25.17	23.00	19.00	13.10	14.66

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# CITY OF ROSENBERG, TEXAS

## WATER AND SEWER RATES

September 30, 2021

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

All water usage over 2,000 gallons:

2,000 - 10,000 gallons	\$2.50 per 1,000 gallons
10,001 - 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, 2021

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# CITY OF ROSENBERG, TEXAS

## TOP TEN WATER AND SEWER CUSTOMERS

September 30, 2021

### TOP TEN WATER CUSTOMERS

<u>Rank</u>	<u>Customer</u>	<u>Type of Property</u>	<u>Consumption in Gallons</u>	<u>Revenue</u>
1	Urban Brittany Square LP	Apartments	21,284,000	\$ 63,956
2	Allied Concrete	Industry	13,925,800	40,877
3	Bluewave Car Wash	Commercial	12,161,600	35,761
4	ADEF II 3101 Place LP	Apartments	11,815,500	37,697
5	Brazos Ranch Apartment Homes	Apartments	11,510,700	38,613
6	Williams Brothers	Commercial	11,308,000	45,556
7	Reading Park Apartments	Apartments	10,676,500	34,394
8	Kings Arms Apartments	Apartments	8,066,300	24,424
9	Aldi Texas LLC	Commercial	7,519,400	24,038
10	Vaman Investments	Apartments	6,735,500	20,025
		<b>Total</b>	<u>115,003,300</u>	<u>\$ 365,340</u>

### TOP TEN SEWER CUSTOMERS

<u>Rank</u>	<u>Customer</u>	<u>Type of Property</u>	<u>Consumption in Gallons</u>	<u>Revenue</u>
1	Urban Brittany Square LP	Apartments	21,284,000	\$ 68,246
2	Bluewave Car Wash	Commercial	12,161,600	38,287
3	ADEF II 3101 Place LP	Apartments	11,815,500	41,054
4	Brazos Ranch Apartment Homes	Apartments	11,510,700	42,809
5	Reading Park Apartments	Apartments	10,676,500	37,523
6	Kings Arms Apartments	Apartments	8,066,300	26,371
7	Aldi Texas LLC	Commercial	7,519,400	25,576
8	Vaman Investments	Apartments	6,735,500	21,466
9	Bayou Bend Apartments	Apartments	6,668,500	22,038
10	Dolce Living Rosenberg	Apartments	6,508,200	22,441
		<b>Total</b>	<u>102,946,200</u>	<u>\$ 345,809</u>

# CITY OF ROSENBERG, TEXAS

## CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2012	2013	2014	2015
Public safety				
Police				
Stations	1	1	1	1
Patrol units	47	46	46	46
Fire stations	2	2	3	3
Public works				
Streets (miles)	162	162	162	156
Parks and recreation				
Parks acreage	443	443	443	445
Parks	9	9	9	9
Water and sewer				
Water mains (miles)	160	160	161	165
Fire hydrants	1,135	1,187	1,243	1,341
Maximum daily capacity (thousands of gallons)	5,232	5,372	5,372	8,230
Sanitary sewers (miles)	142	143	143	144
Storm sewers (miles)	129	130	130	68
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						
2016	2017	2018	2019	2020	2021	
1	1	1	1	1	1	1
47	49	49	51	50	51	51
3	3	3	3	3	3	3
158	159	159	164	160	160	160
445	445	445	469	469	469	469
9	9	9	9	9	9	9
180	184	186	193	200	203	203
1,353	1,387	1,328	1,486	1,559	1,596	1,596
8,230	11,838	11,838	11,838	11,838	11,838	11,838
151	154	154	159	165	169	169
84	91	92	97	102	105	105
6,525	6,525	6,525	6,525	6,525	6,525	6,525

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