

POPULAR ANNUAL FINANCIAL REPORT

City of Rosenberg, TX
Fiscal Year Ended September 30, 2021



Rosenberg
#RTeam





Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

City of Rosenberg

Texas

For its Annual Financial Report
for the Fiscal Year Ended

September 30, 2020

Christopher P. Morrell

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Rosenberg, Texas for its Popular Annual Financial Report for the fiscal year ended September 30, 2020. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, accessibility, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Rosenberg has received the Popular Award for the fiscal year ended September 30, 2020 report. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and are submitting it to GFOA.

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Message from the City Manager



Dear City of Rosenberg Residents,

On behalf of the City's Finance Department and the City of Rosenberg, I am pleased to present to you the City of Rosenberg's Popular Annual Financial Report (PAFR) for Fiscal Year 2021. Our goal with this report is to help you better understand how your tax dollars work and fund many important programs and services. This report captures but a snapshot of the productivity and accomplishments of our City over the past year.

The City continues to work diligently to anticipate community needs, deliver exceptional service, and cultivate an enhanced quality of life through leadership, innovation and cooperative partnerships. These goals are accomplished by financial planning practices which aim to ensure continued financial strength.

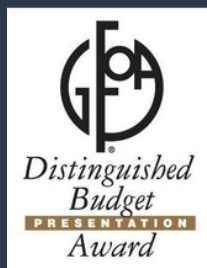
I encourage you to review the report and please reach out to us should you have any questions. For more information on the City's budget and financial outlook, visit: rosenbergtx.gov/finance or contact the City's Finance Department at 832-595-3350 or finance@rosenbergtx.gov.

Respectfully submitted,

John Maresh

John Maresh
City Manager

Financial Accomplishments



The Rosenberg Finance Department is committed to serving our community with financial expertise by promoting accountability, professionalism and transparency while providing all stakeholders with reliable, timely and accurate financial information.

The City of Rosenberg earned the Transparency Stars Award in the area of Traditional Finances. The City's Financial Transparency Page is designed to help open our books to the public; provide clear, consistent pictures of the City's spending; and to share information in a user friendly format, including adopted budget and comprehensive annual financial report archives, along with many other sources of information.

The City was also awarded the Distinguished Budget Presentation Award reflecting the commitment of the governing body and staff to meet the highest principles of governmental budgeting. In order to receive the award, Rosenberg had to satisfy nationally recognized guidelines for effective budget presentation.

About Rosenberg



Rosenberg is at the geographic and logistic heart of Fort Bend County, one of the fastest growing counties in the United States. We've experienced phenomenal growth over the course of the last decade, thanks to our business-friendly atmosphere, strategic location, and a superb quality of life.

In addition to an exceptionally business-friendly environment, our community offers unique leisure activities, family-friendly festivals and events, excellent local eateries and a growing list of recreational activities that contribute to our friendly, laid-back quality of life. Rosenberg encompasses approximately 108 square miles – 37 within our Corporate Limits, and an additional 71 in our ETJ. Here's an interesting fact - Rosenberg and the ETJ is 53% undeveloped; this means there are approximately 57 square miles available for future growth.

IMPORTANT FACTS

Founded	Incorporated	Assessed Property Values	City Tax Rate (per \$100 valuation)
1883	1903	2.81 BILLION	\$0.40
Sales Tax	Avg. Taxable Home Value	Population	
\$18.6 MILLION	\$181,814	40,001	

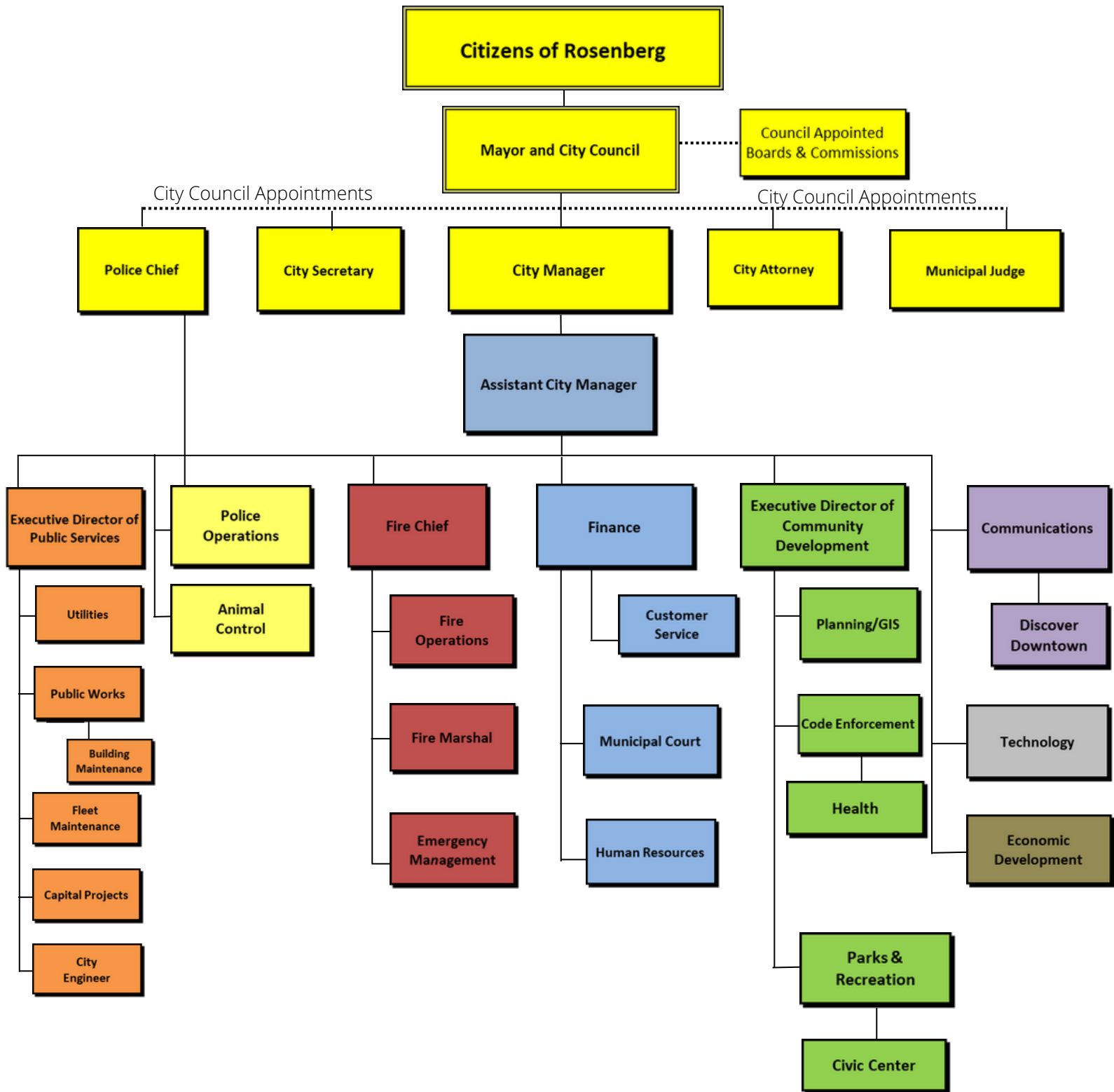
Mayor and City Council



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.

From Left to Right: Alicia Casias, Marc Morales, Timothy Krugh, Mayor Kevin Raines, Timothy Anders, Susan Euton, Isaac Davila

Organizational Chart



Signature Events



Holiday Nights

Our annual holiday event showcases holiday performances, live music, and fun activities. Downtown merchants and restaurants feature special holiday sales and show their holiday spirit with their decorated storefronts.



Fort Bend County Fair

The Fort Bend County Fair and Rodeo has grown into one of the largest and most successful Fairs in the State. Residents of the county eagerly anticipate visiting with friends and neighbors at the many activities the Fair and Rodeo has to offer during its 10 day run.



Family 4th Celebration

It's all about patriotism, family, and fun when Rosenberg hosts the July 4th Celebration at Seabourne Creek Nature Park. This free event features food vendors, live music, and a fun zone for kids. The much-anticipated firework show will end the evening. You will not want to miss the spectacular show!



Easter Egg Hunt

This free event includes thousands of eggs in age-specified hunting zones, photo opportunities with the Easter Bunny, and much more. Pack an Easter Basket and a camera, and come out to the R.W. Lindsey Gazebo at Seabourne Creek Nature Park for a great time!

Other notable events in Rosenberg

Downtown Chocolate Walk, Fishtastic Fishing Tournament, Ride to Rosenberg Car Show, Shop Small Cookie Walk and Movie in the Park.

City Amenities

City Parks

The City of Rosenberg offers nine (9) parks with a variety of amenities, pavilions, and fields that are available to rent for private events. The Parks and Recreation Department is committed to providing quality park facilities for the use and enjoyment of the residents of Rosenberg.

Sunset Park



Seabourne Creek Nature Park



Seabourne Creek Nature Park is a 164-acre Nature Park with:

- 4-acre lake stocked with Bass, Catfish, and Perch
- Butterfly garden
- Prairie restoration area
- Biking, Jogging, and waking trails
- Wetlands
- 1,025 square foot gazebo equipped with electricity and available for rentals.

Rosenberg Civic Center



The Rosenberg Civic Center (RCC) boasts 16,000 square feet of space for corporate and social functions and includes a 5,900 square foot main hall, which can be split into two smaller rooms, three breakout rooms, a state of the art multi-media room, a boardroom and a catering kitchen. This versatile center is great for public and private events.

Fun & Recreation

Historic Downtown Rosenberg, Rosenberg Railroad Museum, Fort Bend Museum, Black Cowboy Museum, Brazos Bend State Park, George Observatory, George Ranch Historical Park

Economic Development

A business friendly environment located in one of the most culturally diverse counties in the United States, Rosenberg's strategic location and excellent workforce development tools make Rosenberg ideal for manufacturing, distribution and logistics-based companies. The area maintains a large cluster of manufacturers, as well as pharmaceutical companies, food packaging and distribution and energy service-related industries.

Rosenberg is also well-suited for multi-modal industrial, logistical and manufacturing centers due to our location and transportation infrastructure. We stand alone in being served by three class-one rail lines; Kansas City Southern, Union Pacific and Burlington Northern/Santa Fe, and we are conveniently located on US 59/ IH-69 and directly linked to Interstate 10 via State Highway 36.

The City encompasses approximately 108 square miles – over 37 of which are within our Corporate (City) Limits. Approximately 53% of this land is undeveloped. Factoring in the expansion of three major highways, continued utilities improvements and the amount of undeveloped land available for new commercial and residential projects, Rosenberg is bound to receive exponential growth in the years to come!



Principal Employers

Lamar Consolidated ISD
 Texana MHMR Center
 Frito-Lay, Inc.
 Dollar Tree
 Fort Bend County
 City of Rosenberg
 Kroger
 Benedittini Cabinetry
 Si Environmental
 Seatex

Principal Property Tax Payers

Brazos TC - Partnership A, LP
 Brazos TC - South Partnership A, LP
 Dolce Living Rosenberg LLC
 GSSW Brazos Ranch LLC
 Aldi (Texas) LLC
 Continental 453 Fund LLC
 Dollar Tree Distribution Inc
 Gulf South Pipeline CO LP
 Kroger Texas LP
 CenterPoint Energy Electric

Population Growth

2012	32,018
2013	33,070
2014	34,127
2015	34,896
2016	35,151
2017	35,894
2018	36,750
2019	37,516
2020	38,282
2021	40,001

About the PAFR

What is the Popular Annual Financial Report?

The Popular Annual Financial Report (PAFR) is intended to summarize and simplify the statistical, economic and financial information contained in the 2021 Annual Comprehensive Financial Report (ACFR). The ACFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was independently audited by Belt Harris Pechacek, LLLP. The PAFR, while unaudited, provides a brief analysis of where the City's revenues come from and where the dollars are spent as well as trends and details on the local economy. It is presented as a means of increasing public awareness about the City's financial condition through a more user-friendly presentation. Most of the financial information this report refers to our operating accounts, not all individual funds and component unit funds.

For a more detailed, GAAP basis, full disclosure review of the individual funds and component units' financial statements, please refer to the City's ACFR that is accessible through the City's website: rosenbergtx.gov.

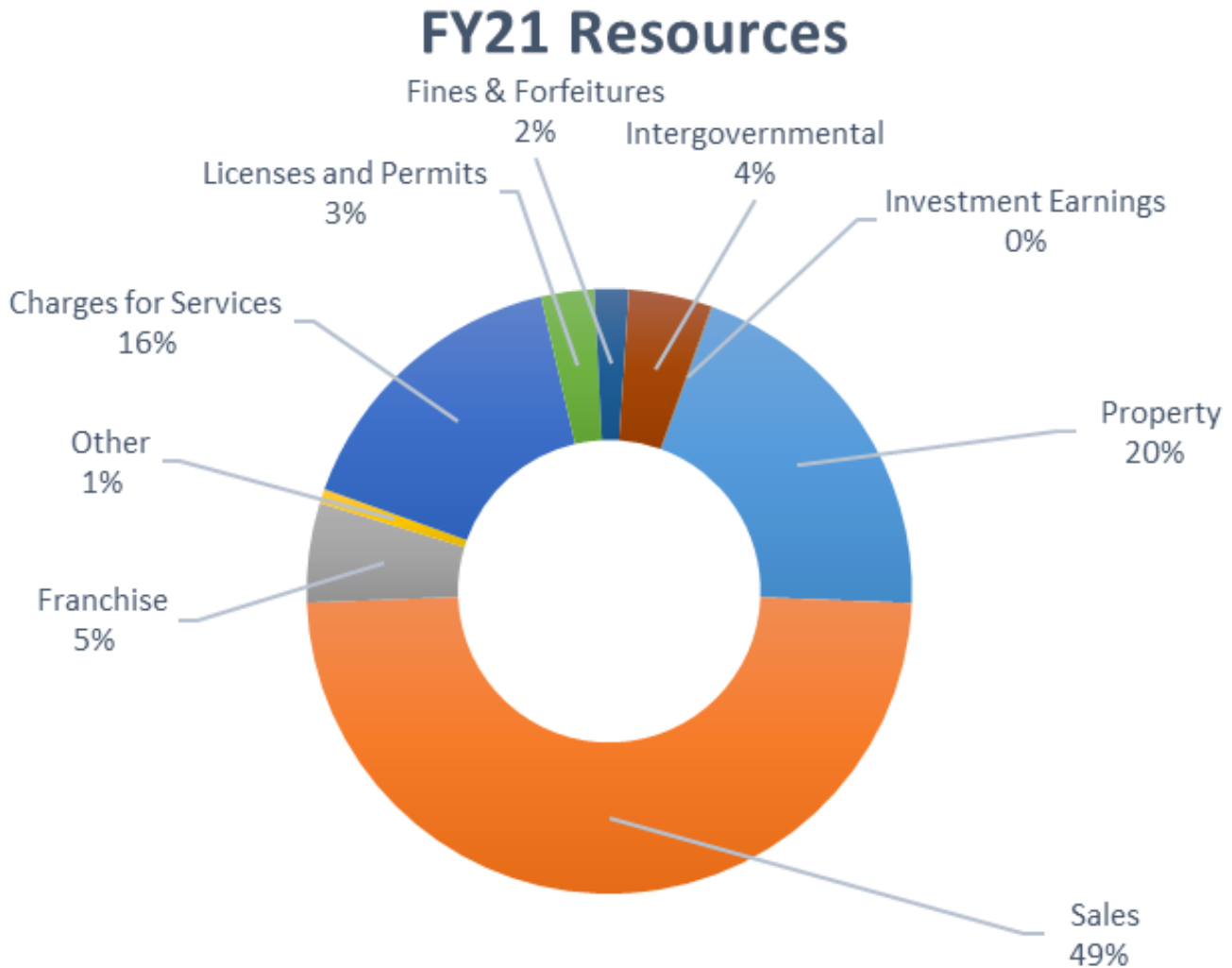
How is the City budget determined?

Budget philosophy varies from organization to organization depending upon the local needs and concerns of the citizens. Other factors also affect budget philosophy, such as the state of the local economy, the needs of the organization, the demands of the public for increased services, and the ever increasing unfunded mandates and requirements of federal and state regulatory agencies.

Pictured below is the city's inaugural Rosenberg 101 class. The mission of the Rosenberg 101 program is to familiarize citizens with the structure, function, and purpose of City government, and to equip and encourage them to assume a leadership role within the community.



General Fund Revenue



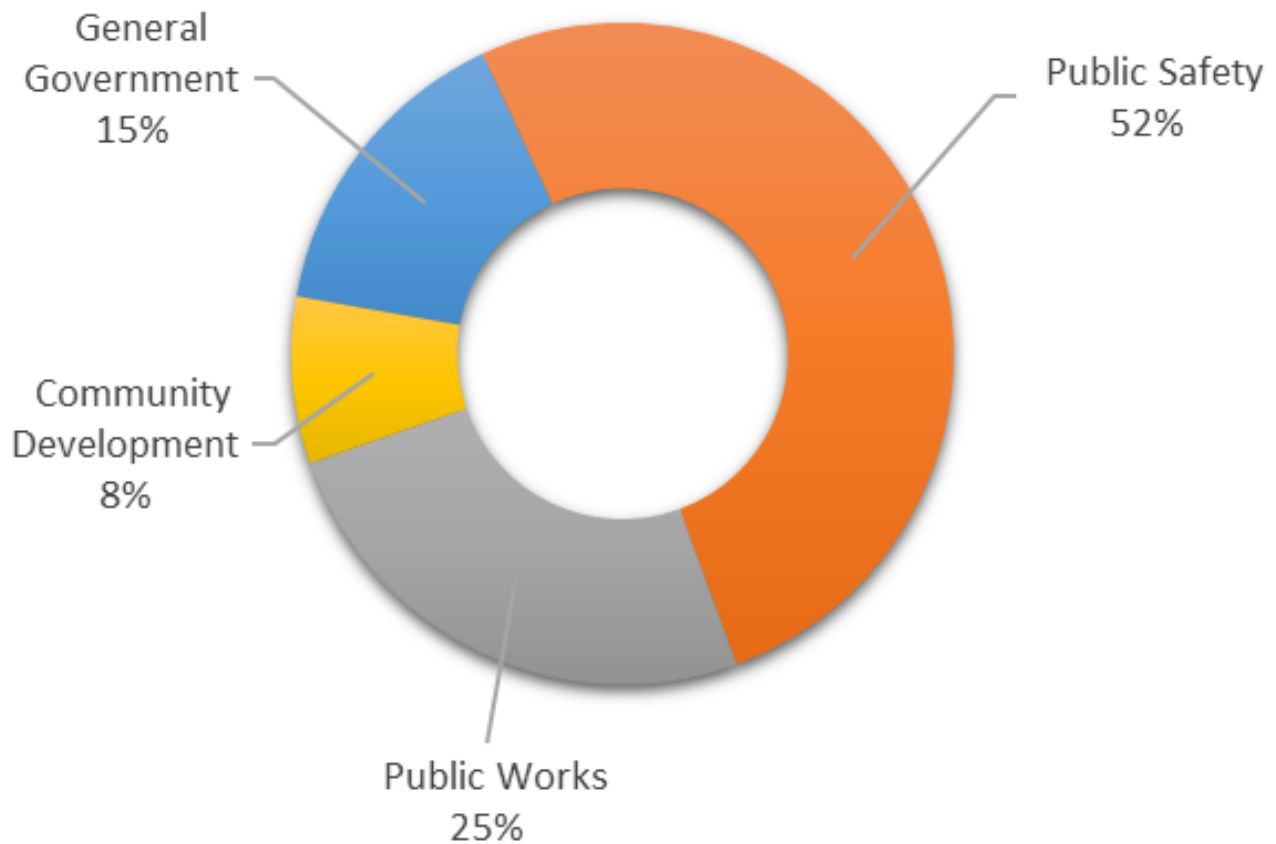
The General Fund is the primary operating fund and accounts for the revenue and expenditures associated with city functions such as police and fire protection services, public works, parks maintenance, code enforcement and administration.

Although there were many uncertainties with the Coronavirus pandemic, fortunately, much of the City's finances were not affected. For the fiscal year ended September 30, 2021, in excess of \$38 million in revenue was received; 49% from sales tax, which exceeded \$18.5 million. This was an increase from FY2020 by about \$3.8 million. This increase can be attributed to several factors including commercial development and an ongoing Chapter 380 Performance Agreement with BMC Texas Sales.

Charges for Services and Property taxes make up a combined 36% of revenue for a total of \$13.7 million.

General Fund Expenditures

FY21 Expenditure by Division



A total of 52% of the City's expenditures (\$16.6 million) went to public safety. Police, fire and animal control services are reported within the public safety function.

Public Works made up 25% of the expenditures at \$8.2 million for FY21. Public works includes street maintenance, street lights, solid waste, engineering, building maintenance and fleet services.

General government, combined with community development and capital outlay make up the remaining 23% of the expenses incurred by the city for FY21.

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Revenue	FY2021	FY2020	FY2019	FY2018
Taxes:				
Property	\$ 7,642,314	\$ 6,932,397	\$ 6,806,084	\$ 6,545,122
Sales	18,578,297	14,701,582	14,108,795	14,474,532
Franchise	2,025,273	1,874,129	1,938,747	1,910,171
Licenses and Permits	1,080,977	1,061,522	832,679	692,388
Fines and Forfeitures	694,397	513,516	492,630	565,993
Charges for Services	6,052,961	5,586,027	5,424,756	5,085,045
Intergovernmental	1,695,286	2,924,458	3,042,213	2,165,648
Investment Revenue	24,912	197,224	417,719	251,081
Other Revenue	293,451	226,707	261,041	332,516
Total Revenue	\$ 38,087,868	\$ 34,017,562	\$ 33,324,664	\$ 32,022,496
Expenditures				
Current:				
General Government	\$ 4,951,014	\$ 4,823,488	\$ 5,399,472	\$ 4,393,061
Public Safety	16,636,740	17,097,006	15,783,564	14,304,715
Public Works	8,176,742	7,507,476	7,361,297	7,130,734
Community Development	2,641,641	2,584,924	2,434,540	2,372,682
Capital Outlay	-	308,373	608,796	862,871
Total Expenditures	\$ 32,406,137	\$ 32,321,267	\$ 31,587,669	\$ 29,064,063
Excess of Revenues over Expenditures	\$ 5,681,731	\$ 1,696,295	\$ 1,736,995	\$ 2,958,433
Other Financing Sources (Uses)				
Insurance Proceeds	\$ 93,768	\$ 54,711	\$ 34,430	\$ 22,215
Sale of Capital Assets	-	-	10,639	983,338
Transfer In	1,899,213	1,898,940	1,726,871	1,720,755
Transfers Out	(7,845,205)	(2,138,522)	(6,001,041)	(2,510,439)
Total Other Financing Sources (uses)	\$ (5,852,224)	\$ (184,871)	\$ (4,229,101)	\$ 215,869
Net Change in Fund Balances	\$ (170,493)	\$ 1,511,424	\$ (2,492,106)	\$ 3,174,302
Fund Balance, Beginning October 1	\$ 19,287,085	\$ 17,775,661	\$ 20,267,767	\$ 17,093,465
Fund Balance, Ending September 30	\$ 19,116,592	\$ 19,287,085	\$ 17,775,661	\$ 20,267,767

A few changes from FY2020 to FY2021 are an increase in sales tax which can be attributed to a performance agreement with BMC Texas Sales and an increase in Fines & Forfeitures due to a more proactive and aggressive approach to the City's outstanding warrants and also an increase in citations. The decrease in Intergovernmental revenue was due to Lamar CISD starting their own police department in February 2021. Previously, Lamar CISD paid the city for police services.

On the expenditure side, the most notable change was a decrease to public safety which is due to the School Resource Officer (SRO) program being moved to the newly created police department at Lamar CISD. Also, a small increase to Public Works was due to an increase in solid waste services and also an increase in customers.

Your Tax Dollars at Work

Your tax dollar is divided between Lamar CISD at a rate of 60%, Fort Bend County at 21%, and the remaining 19% goes to the City of Rosenberg.



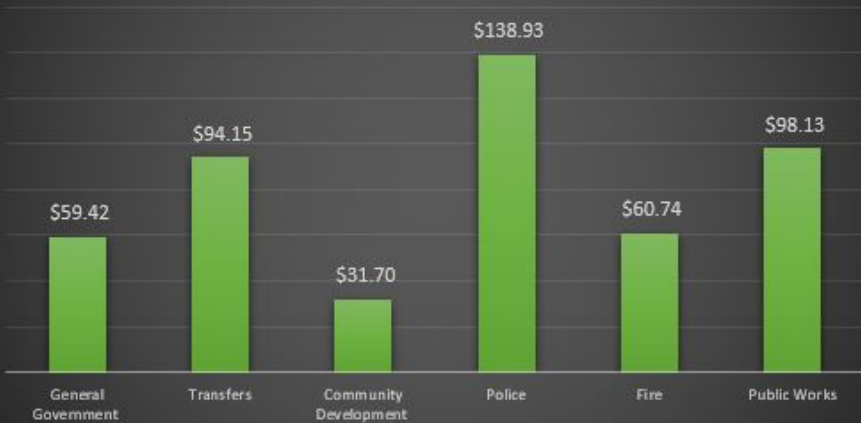
Lamar Consolidated Independent School District
60%

Fort Bend County
21%

City of Rosenberg
19%

Since 2010, the City has gradually reduced property taxes from \$0.51 per \$100 of assessed value to \$0.40 and increased tax exemptions for Over 65 & Disabled Persons.

Tax Allocation by Department (M&O Portion)



The total annual residential property tax bill for a home valued at \$181,814 (without exemptions and not in a Municipal Utility District) is \$3,858.66 for FY2021, which includes Lamar CISD, Fort Bend County and the city of Rosenberg.

The city's share of the total tax bill is \$727.26 (or 19% of total bill), which also equates to \$60.60 a month! Of the city's \$727.26 tax bill, \$244.18 is allocated for debt service and \$483.08 for M&O. The chart shows the M&O portion of the tax bill and how it was spent for FY2021 by department in the General Fund.

Rosenberg's tax rate was \$0.40 cents per \$100 of assessed valuation for FY2021. The total tax rate includes \$0.265697 cents for maintenance and operations (M&O) and \$.134303 cents for debt service (I&S). Our certified property tax base for FY2021 is \$2.81 billion.

The city offers a \$60,000 exemption for disabled persons and a \$75,000 exemption for seniors over 65. The city also increased the homestead exemption to the greater of 10% of valuation or \$5,000. This increase to the homestead exemption alleviates some of the tax burden to those citizens who call Rosenberg their home.

Water & Wastewater Fund

Water/ Wastewater Utility Fund Statement of Revenues, Expenses, and Changes in Fund Net Position

Operating Revenues	FY2021	FY2020	FY2019	FY2018
Water	\$ 13,942,592	\$ 11,787,702	\$ 13,148,547	\$ 10,990,485
Sewer	6,042,403	5,173,638	5,177,370	5,309,921
Charges for Services	244,575	299,844	227,004	218,890
Total Operating Revenues	\$ 20,229,570	\$ 17,261,184	\$ 18,552,921	\$ 16,519,296
Operating Expenses				
Cost of sales and services	\$ 11,552,171	\$ 11,253,458	\$ 10,619,939	\$ 8,156,074
Community Development	-	-	646,500	-
Depreciation	2,479,149	2,317,395	2,260,102	2,657,571
Total Operating Expenses	\$ 14,031,320	\$ 13,570,853	\$ 13,526,541	\$ 10,813,645
Operating Income	\$ 6,198,250	\$ 3,690,331	\$ 5,026,380	\$ 5,705,651
Non-Operating Revenues (Expenses)				
Intergovernmental	\$ 492,604	\$ 459,708	\$ 1,336,750	\$ 6,788
Investment Earnings	37,666	327,478	626,353	347,551
Interest Expense and fiscal charges	(24,882)	(43,687)	(60,053)	(84,375)
Total Non-Operating Revenues (Exp)	\$ 505,388	\$ 743,499	\$ 1,903,050	\$ 269,964
Income Before Capital Contributions and Transfers	\$ 6,703,638	\$ 4,433,830	\$ 6,929,430	\$ 5,975,615
Transfers In	\$ 683,518	\$ 5,209,951	\$ 6,202,590	\$ 1,506,408
Transfers Out	\$ (6,730,933)	\$ (4,371,303)	\$ (4,837,288)	\$ (3,894,679)
Change In Net Position	\$ 656,223	\$ 5,272,478	\$ 8,294,732	\$ 3,587,344
Net Position, Beginning October 1	\$ 99,087,302	\$ 93,814,824	\$ 85,520,092	\$ 81,932,748
Net Position, Ending September 30	\$ 99,743,525	\$ 99,087,302	\$ 93,814,824	\$ 85,520,092

The City maintains separate enterprise funds to account for several water and sewer funds. These funds account for “business-type activities”, similar to those found in the private sector, that include services funded through user charges. The City also maintains a separate enterprise fund for the Civic Center.

For FY21, the City’s water and sewer system revenue exceeded \$20.2 million. Total operating expenses were \$14.0 million. The most notable change in revenues compared to FY2020 is related to several large one-time water and sewer impact fee payments from municipal utility district developments. These payments are recorded as new development is developed within the city.

Summary of Net Position

Summary Statement of Net Position - 5 year Analysis

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Assets	\$ 292,889,599	\$ 278,024,084	\$ 275,861,567	\$ 268,162,094	\$ 249,502,564
Deferred Outflows of Resources	6,065,026	7,753,253	5,265,914	1,689,422	3,860,829
Liabilities	110,666,730	111,047,324	115,099,012	113,057,899	102,127,694
Deferred Inflows of Resources	3,153,043	3,650,418	1,459,275	2,764,352	644,054
Net Position					
Net Investment in Capital Assets	142,563,019	129,106,338	112,086,265	97,897,662	103,869,784
Restricted	19,353,646	20,375,159	20,039,074	21,514,250	17,217,918
Unrestricted	23,218,187	21,598,098	32,443,855	34,617,353	29,503,943
Total Net Position	\$ 185,134,852	\$ 171,079,595	\$ 164,569,194	\$ 154,029,265	\$ 150,591,645

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. It is a snapshot of the City's entire resources and obligations, or net worth, at the close of the fiscal year. The financial information in the Statement of Net Position is derived from the information found in the City's Annual Comprehensive Financial Report.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The City's combined net position is \$185.1 million as of September 30, 2021, which consists of \$85.4 million in governmental activities and \$99.7 million in business-type activities. This increase in Net Position of 8% compared to FY2020 is a good indication the City's financial position is improving each year as shown above.



Departmental Accomplishments

As a municipality, we are tasked with the responsibility of providing the best and most efficient services within available resources. We strive to provide our citizens with the very best value for their dollars.

The City of Rosenberg is committed to the long-term financial stability and sustainability of the city government. Departmental services are prioritized to ensure that they are addressed through the budget process and streamlined for efficiency and cost-effectiveness. The City of Rosenberg's FY2021 Adopted Budget was approximately \$86.1M. With these funds, the City is able to maintain a high quality of life for residents. Here are just a few examples of our budget in action.

Animal Control Shelter:

550 Pet
adoptions

97%
Live Release
Rate

Over 950
Serviced Field
Calls

Over 1,400
intakes

Community Development:

4,799
permits
processed

503 New
housing
starts

Processed
35 Final
Plats

1,513 Code
Enforcement
issues/cases
addressed

Economic Development:

Improved mobility
through
collaboration with
Fort Bend County

32 Business
Retention
Visits

Assisted with
grand opening
of Wet Sounds
Inc.

8 Site Visits
Hosted

Departmental Accomplishments

Emergency Services: (Police & Fire)

Received 156,479
calls to public
safety dispatch

Fire: 6,350
Responses -
increase of
12%

Fire purchased
a New Ladder
Truck

PD was
recognized
through the TX-
Police Chief's Best
Practices

Finance:

2,814,049,253
Taxable
Property
Value

28th consecutive
year receiving the
Distinguished
Budget Presentation
Award

\$27,391,546
Total Sales Tax
Collected (City
and RDC)

The City's Debt
was reduced by
7.5 Million

Parks & Civic Center:

Completed the
Sunset Park
pavilion project
with RDC Funds

Began
implementation of
Parks and
Recreation Master
Plan Update

Coordinated
planting of four (4)
new memorial trees
in Seabourne Creek
Nature Park

Civic Center
Implemented New
software for
Online booking

Public Works & Utilities:

Replaced 165
street signs

Swept 1,341
miles of streets

6,722 Acres
Mowed in Right
Aways

Rated Superior
Public Works
Water System by
TCEQ for 2021

Public Services:

20,615 Inquires
to Citizens
Relations

538,269
Website Pages
Visited

Processed 2,359
New Water
Accounts

Launched
EnerGov Self
Service



City of Rosenberg
2110 4th Street
P.O. Box 32
Rosenberg, TX 77471

Phone: 832-595-3300
info@rosenbergtx.gov

Rosenberg
TEXAS