

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FISCAL YEAR ENDED SEPTEMBER 30, 2023

CITY OF ROSENBERG



MISSION STATEMENT

TO PROVIDE EXCEPTIONAL SERVICES THAT CREATE AND SUSTAIN A SAFE, LIVABLE, AND VIBRANT COMMUNITY.

*ANNUAL
COMPREHENSIVE
FINANCIAL REPORT*

of the

CITY OF ROSENBERG, TEXAS

**For the Year Ended
September 30, 2023**

Prepared by:

**Joyce Vasut, CPA
Assistant City Manager**

**Luis Garza
Director of Finance**

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CITY OF ROSENBERG, TEXAS

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INTRODUCTORY SECTION

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March 4, 2024

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 2023 (FY2023) Annual Comprehensive Financial Report (ACFR) for the dates ranging from October 1, 2022 to September 30, 2023.

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 FY2023 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, 2023, 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

Rosenberg's economy remained steady in 2023. Rosenberg experienced moderate job growth and a slight decrease in sales tax growth when compared to FY2022. The moderate job growth can be attributed to several factors including residential growth and commercial development.

The City's general fund sales tax revenue experienced a decrease of \$2.6 million from FY2022 to FY2023. While the City was fortunate to have an increase in sales tax in FY2022 due to the increase in cost of lumber, the price has since leveled off and sales tax is projected to be comparable to FY2021 but with a modest increase. Rosenberg has several building material suppliers and an ongoing Chapter 380 Economic Development Program Agreement with BFS Texas Sales. This steady trend has remained for the first five (5) months of FY2024 when compared to FY2021, prior to the increase in the price of lumber.

In FY2023, the local unemployment rate showed an uptick to 5% early in the year, but declined incrementally to finish the fiscal year at 4.5%, which is slightly higher than the state rate of 3.8% and national rate of 3.5%. The average owner-occupied home value increased to \$204,996, up from \$109,562 in 2013.

The total number of permits issued for the year increased from FY2022 to FY2023, with a total of 433 residential certificates of occupancy issued. There were 23 commercial certificates of occupancy, 42 new commercial buildings, and 57 commercial additions/remodels issued in the 2023 fiscal year, demonstrating that leasing existing buildings and constructing new facilities are still growing trends.

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 controls is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires estimates and judgments by management.

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

1. *General Guidelines* – The City will establish and maintain a high standard of accounting practices and ensure that the City's accounting system shall conform to GAAP, as prescribed by the Governmental Accounting Standards Board for governmental entities. These general guidelines also address the appointment of the Finance/Audit Committee and the selection of an auditor.
2. *Operating Budget* – Objectives regarding the operating budget state that revenue estimates are based on historical trends and a conservative approach. The adopted budget will be balanced with current revenues, plus fund balances. Fund balances, or reserves from operating funds at the end of each fiscal year must be maintained at 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. Residential and commercial growth and the retail component of Brazos Town Center, coupled with a Chapter 380 agreement with BFS Texas Sales, continues to impact trends for sales tax revenues.

The City's net property tax valuations increased 13% from the previous year to an appraised value of just over \$4.1 billion in FY2024. The property tax base has expanded approximately 130% since FY2015. The tax base is diverse, with the leading taxpayers accounting for only 10% 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 Rosenberg Development Corporation (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:

- Continuing assistance to the City with the extension of utilities along I-69 for future development along the interstate.
- Continuing a project to develop a long-term strategic plan for the revitalization of the Avenue H/Highway 90A corridor.
- Funding for certain City parks improvements, including the addition of a water recycling system for the Travis Park Splash Pad.
- Continuation of a partnership with Fort Bend Transit to maintain and grow public transportation in the City and County.
- Funding for the installation of a traffic signal at Commercial Drive and Plaza Drive as a public safety improvement project.
- Funding allocation toward a future roadway connection project to connect Brazos Town Center I and II, suitable as a project for improved and expanded business enterprise.
- Continuation of a project to design and install wayfinding signs to public points of interest.
- A project to develop and adopt a ten-year economic development strategic plan to guide the RDC for future project and organizational priorities.

AWARDS AND ACKNOWLEDGEMENTS

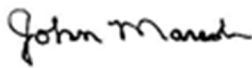
This report has been prepared in accordance with guidelines established by the Governmental Finance Officers Association of the United States and Canada (GFOA). The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended September 30, 2022. ***This was the 36th 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 annual comprehensive 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 annual comprehensive 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 FY2023. 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, CPA
Assistant City Manager



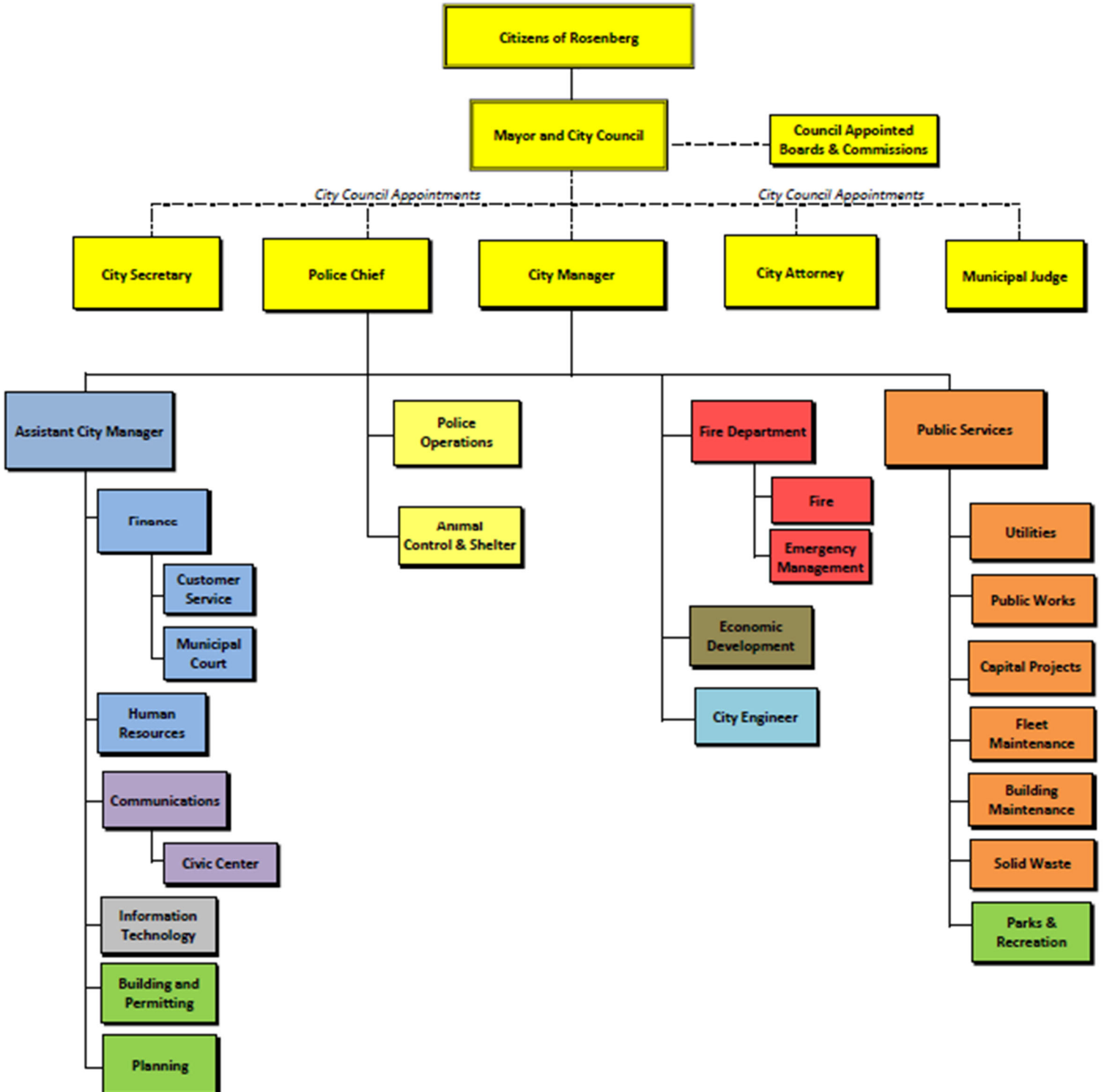
Luis Garza, CGFO
Director of Finance

CITY OF ROSENBERG, TEXAS

ORGANIZATIONAL CHART

September 30, 2023

ORGANIZATIONAL CHART



*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, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF ROSENBERG, TEXAS
PRINCIPAL OFFICIALS
September 30, 2023

Elected Officials	Position	Term Expires
Kevin Raines	Mayor	05/2024
Marc Morales	Councilor at Large, Position 1	05/2024
Alicia Casias	Councilor at Large, Position 2	05/2024
Keith Parker	Councilor, District No. 1	05/2024
Susan Euton	Councilor, District No. 2	05/2024
Hector Trevino	Councilor, District No. 3	05/2024
George Zepeda	Councilor, District No. 4	05/2024

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

City Management	Position
Joyce Vasut	Assistant City Manager
Luis Garza	Director of Finance
Harold Hankins	Assistance Director of Finance
Charles Kalkomey	City Engineer
Tanya Kveton	Director of Communications
Joe Esch	Director of Economic Development
Ashley Barnes	Director of Human Resources
Cary Lamensky	Director of Parks and Recreation
Mohamed Bireima	Director of Planning
Doug Gorka	Director of Public Works
Shelton Besson	Director of Technology
Eddie De Leon	Director of Utilities
Rigo Calzoncin	Executive Director of Public Services
Darrell Maretka	Fire Chief
Brian Swint	Building Official

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 Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note I.F.10. to the financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023. Our opinion is not modified with respect to this matter.

Responsibility of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 liability 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 is the responsibility of management and, 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.

Supplementary 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 combining statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors’ report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2024 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’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.

The logo for Belt Harris Pechacek, LLLP features the names 'BELT HARRIS PECHACEK, LLLP' in a stylized, serif font. The letters are intertwined and have a decorative, calligraphic quality.

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 4, 2024

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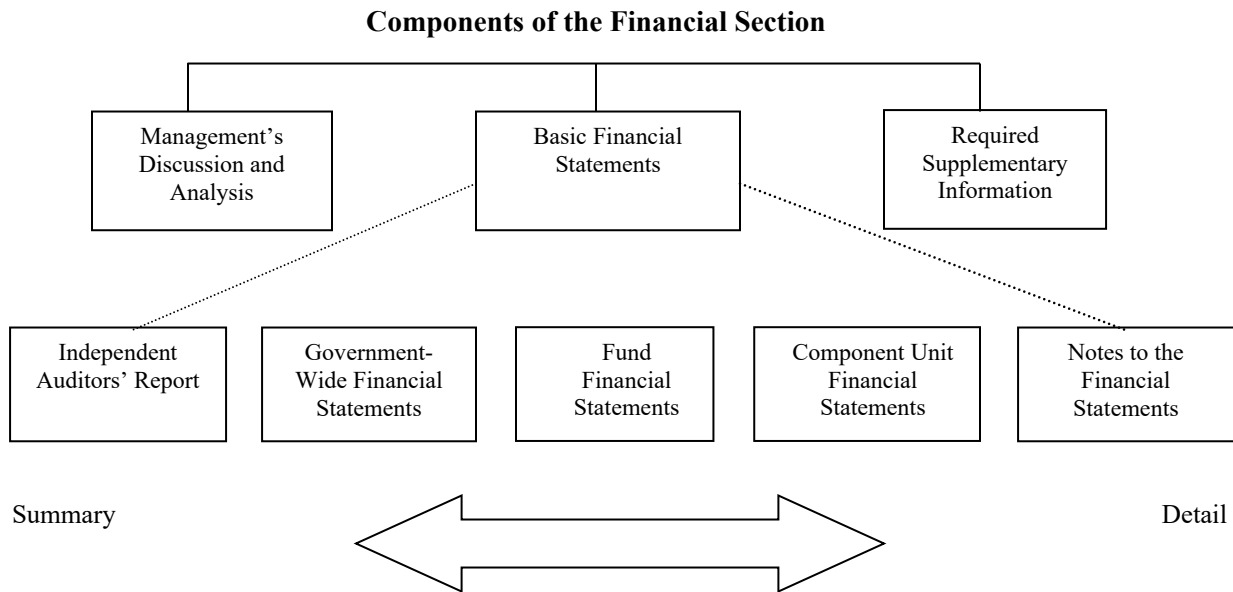
***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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CITY OF ROSENBERG, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023

The purpose of the Management’s Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Rosenberg, Texas (the “City”) for the year ended September 30, 2023. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City’s activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City’s basic financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The City’s basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City’s financial statements, report information on the City’s activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City’s assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other nonfinancial factors, such as the City’s property tax base and the condition of the City’s infrastructure, need to be considered in order to assess the overall health of the City.

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

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, community development, 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 funds balance sheet and the governmental funds 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 American Rescue Plan fund and the Rosenberg Development Corporation (RDC) projects funds which are considered to be major funds for reporting purposes. Data from the remaining 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, 2023

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 three 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, solid waste 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 (OPEB) 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 \$230,914,435 as of September 30, 2023. This compares with \$209,135,891 from the prior fiscal year. The largest portion of the City's net position, 69%, 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, 2023

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 87,680,382	\$ 82,879,774	\$ 48,477,327	\$ 38,768,642	\$ 136,157,709	\$ 121,648,416
Capital assets, net	121,168,712	116,831,927	76,459,796	76,614,567	197,628,508	193,446,494
Total Assets	208,849,094	199,711,701	124,937,123	115,383,209	333,786,217	315,094,910
Deferred outflows of resources	8,611,572	4,233,899	882,823	437,718	9,494,395	4,671,617
Long-term liabilities	81,470,899	73,724,954	4,377,717	3,089,490	85,848,616	76,814,444
Other liabilities	14,188,433	15,464,013	4,070,879	3,545,195	18,259,312	19,009,208
Total Liabilities	95,659,332	89,188,967	8,448,596	6,634,685	104,107,928	95,823,652
Deferred inflows of resources	5,148,270	11,037,273	3,109,979	3,769,711	8,258,249	14,806,984
Net Position:						
Net investment in capital assets	83,929,892	74,480,486	76,337,796	76,471,567	160,267,688	150,952,053
Restricted	28,965,294	22,977,203	-	-	28,965,294	22,977,203
Unrestricted	3,757,878	6,261,671	37,923,575	28,944,964	41,681,453	35,206,635
Total Net Position	\$ 116,653,064	\$ 103,719,360	\$ 114,261,371	\$ 105,416,531	\$ 230,914,435	\$ 209,135,891

A portion of the primary government's net position, \$28,965,294 or 13%, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$41,681,453 or 18%, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$21,778,544 as compared to the prior year. Total assets increased by \$18,691,307 mainly due to an operating surplus in the current year and an increase in capital assets. Total deferred outflows of resources increased by \$4,822,778 mainly due to changes in deferred outflows related to the net pension liability. Total liabilities increased by \$8,284,276 which was primarily due to an increase in long-term liabilities from the net pension liability. Total deferred inflows of resources decreased by \$6,548,735 primarily due to a decrease in deferred inflows related to the net pension liability.

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

Statement of Activities

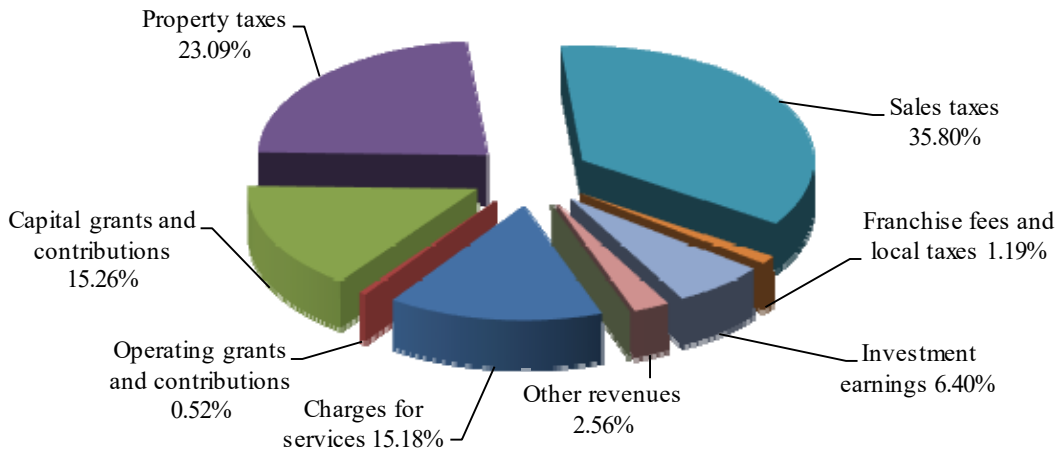
The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 8,419,526	\$ 14,276,342	\$ 29,875,815	\$ 23,714,672	\$ 38,295,341	\$ 37,991,014
Operating grants and contributions	287,587	355,086	-	94,024	287,587	449,110
Capital grants and contributions	8,465,332	6,316,307	-	-	8,465,332	6,316,307
General revenues:						
Property taxes	12,808,007	11,732,439	-	-	12,808,007	11,732,439
Sales taxes	19,853,684	22,465,983	-	-	19,853,684	22,465,983
Franchise fees and local taxes	660,419	598,857	-	-	660,419	598,857
Investment earnings	3,551,870	482,386	1,656,154	229,811	5,208,024	712,197
Other revenues	1,413,427	993,435	-	-	1,413,427	993,435
Total Revenues	<u>55,459,852</u>	<u>57,220,835</u>	<u>31,531,969</u>	<u>24,038,507</u>	<u>86,991,821</u>	<u>81,259,342</u>
Expenses						
General government	6,650,592	5,560,465	-	-	6,650,592	5,560,465
Public safety	21,841,266	19,120,777	-	-	21,841,266	19,120,777
Public works	10,267,010	12,720,410	-	-	10,267,010	12,720,410
Community development	3,688,036	3,537,282	-	-	3,688,036	3,537,282
Interest and fiscal agent fees	1,025,533	1,211,992	-	-	1,025,533	1,211,992
Water and wastewater	-	-	16,712,465	14,718,206	16,712,465	14,718,206
Solid Waste	-	-	4,483,099	-	4,483,099	-
Civic center rentals	-	-	545,276	389,171	545,276	389,171
Total Expenses	<u>43,472,437</u>	<u>42,150,926</u>	<u>21,740,840</u>	<u>15,107,377</u>	<u>65,213,277</u>	<u>57,258,303</u>
Excess of Revenues Over Expenses	11,987,415	15,069,909	9,791,129	8,931,130	21,778,544	24,001,039
Transfers	946,289	3,255,739	(946,289)	(3,255,739)	-	-
Change in Net Position	12,933,704	18,325,648	8,844,840	5,675,391	21,778,544	24,001,039
Beginning net position	103,719,360	85,393,712	105,416,531	99,741,140	209,135,891	185,134,852
Ending Net Position	<u>\$ 116,653,064</u>	<u>\$ 103,719,360</u>	<u>\$ 114,261,371</u>	<u>\$ 105,416,531</u>	<u>\$ 230,914,435</u>	<u>\$ 209,135,891</u>

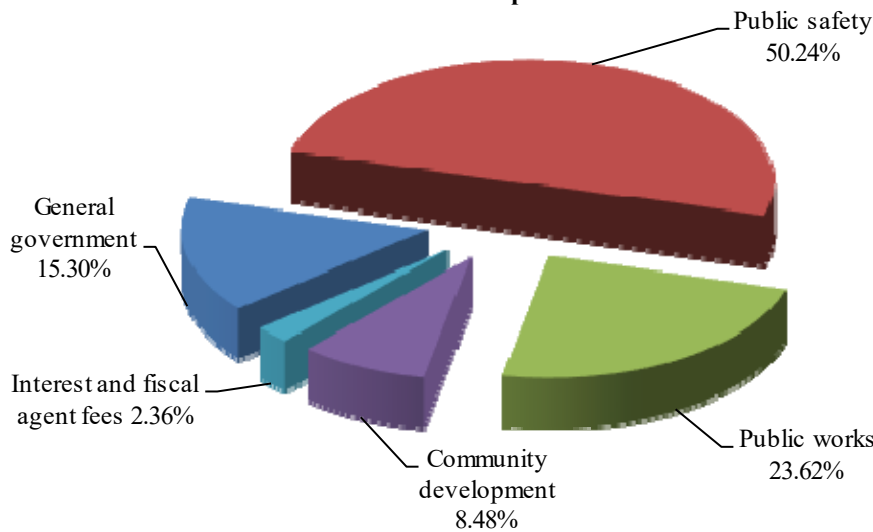
CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

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

Governmental Revenues



Governmental Expenses



For the year ended September 30, 2023, revenues from governmental activities totaled \$55,459,852, which is a decrease of \$1,760,983 from the prior year, including a decrease in total program revenues of \$3,775,290 and an increase in total general revenues of \$2,014,307. Program revenues included a decrease in charges for services, which was mainly the result of recording solid waste fees within business-type activities instead of governmental activities, and an increase in grants and contributions mainly for grants related to capital additions. General revenues increased primarily due to an increase in property taxes from increases in property values and increases in investment income from an increase in interest earned on pooled investments. General revenue also included a decrease in sales taxes due to a decrease in economic activity.

For the year ended September 30, 2023, expenses from governmental activities totaled \$43,472,437, which is an increase of \$1,321,511 from the prior year primarily due to an increase in personnel costs for City employees. The

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

overall net increase in expenses included a decrease in public works due mainly to recording waste management costs within business-type activities instead of governmental activities.

Operating revenues for business-type activities totaled \$31,531,969 and increased by \$7,493,462 from last year, which was primarily due to an increase in charges for services for waste management and investment earnings. Operating expenses for business-type activities totaled \$21,740,840 and increased by \$6,633,463, which was primarily due to accounting for waste management costs within business-type activities instead of governmental activities.

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 \$64,495,886. Of this, \$119,084 is nonspendable, \$31,079,998 is restricted for various purposes, \$13,176,995 is committed for capital projects, and \$300,000 is assigned for contingencies. The remaining balance of \$19,819,809 is unassigned in the general fund.

There was a net increase in the combined fund balance of \$7,005,173 compared to the prior year, which included excess revenues over expenditures of \$4,443,173 and a net transfer in from the enterprise funds of \$2,562,000.

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 \$19,819,809, while total fund balance reached \$20,234,660. 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 62% of total general fund expenditures, while total fund balance represents 63% of the same amount. The general fund demonstrated an overall decrease in fund balance of \$763,356. General fund revenues decreased compared to the prior year primarily due to a decrease in charges for services of \$4,869,057, which was mainly due to recording solid waste fees in a separate enterprise fund. General fund expenditures decreased compared to the prior year by \$1,224,644 largely due to the net result of a decrease in operating costs for solid waste services within public works and an increase in payroll costs for public safety. The amounts transferred out of the general fund in the current fiscal year decreased from the prior fiscal year by \$2,413,357, which was primarily due to a decrease in funds transferred to the capital projects fund. Transfers in from other funds into the general fund increased by \$1,132,281, which was primarily due to an increase in transfers from the water and wastewater fund for reimbursement of operational costs.

The debt service fund has a total fund balance of \$5,003,368, all of which is restricted for the payment of debt service. The fund balance for the debt service fund increased by \$120,648, which included property tax revenue of \$6,257,405, intergovernmental revenue of \$190,097, investment income of \$262,103, and debt service payments of \$6,588,957.

The RDC projects fund has a fund balance of \$7,832,805. The net increase in fund balance for the year was \$2,334,178, which includes intergovernmental revenue from the discretely presented component unit of \$5,230,791 and capital outlay of \$3,249,143.

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

The American Rescue Plan fund has a fund balance of \$469,188, which includes, investment income on advanced grant funds received. The City reported unearned revenue for advance grant funds of \$8,096,610 as of September 30, 2023.

Proprietary Funds – The City's proprietary funds 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 final budgeted fund balance in the amount of \$3,717,029 in the general fund. However, the net change in fund balance only had a decrease of \$763,356, resulting in a positive variance of \$2,953,673 from budgeted as amended over actual. This was largely due to lower than anticipated expenditures across all functions, and more than anticipated revenues for charges of services and investment income.

CAPITAL ASSETS

At the end of the current year, the City's governmental and business-type activities had invested \$121,168,712 and \$76,459,796, respectively, in a variety of capital assets and infrastructure (net of accumulated depreciation). The capital assets includes the right-to-use assets from leases and subscription assets, net of amortization, of \$322,221. Total net capital assets increased by \$4,182,014 for governmental activities and business-type activities, which included depreciation expense and amortization of right-to-use assets and subscription assets of \$7,840,452.

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

- Construction in progress for drainage and water and wastewater infrastructure of \$3,622,270
- Construction in progress for roads, park improvements, and building renovations of \$1,955,976
- The completion of construction in progress for road and waterline extension of \$4,242,039
- The completion of construction in progress for sanitary sewer pipe bursting of \$2,495,910
- The completion of construction in progress for park improvements of \$524,159
- Capital additions to infrastructure from the street overlay program of \$1,061,353
- Capital additions to infrastructure for the Rosenberg Business Park of \$1,423,367
- Capital addition for a fire truck of \$1,409,627

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

LONG-TERM DEBT

At the end of the current year, the City's governmental activities had total general obligation bonds outstanding of \$12,265,000, certificates of obligation outstanding of \$25,425,000, leases payable of \$86,712, and liabilities from software subscription arrangements of \$241,098. Business-type activities had revenue bonds outstanding of \$122,000. The current year total combined debt is \$37,898,712 compared to \$43,352,177 in the prior year.

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

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

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 2024 budget in September 2023, with total revenues of \$97,098,731 and total expenditures of \$101,728,442. The City's adopted a tax rate for fiscal year 2024 of \$0.342 per \$100 of taxable valuation, which is \$0.013 cents less than the fiscal year 2023 tax rate of \$0.355 per \$100 of taxable valuation.

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 Luis Garza, Finance Director, P.O. Box 32, Rosenberg, Texas 77471-0032.

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BASIC FINANCIAL STATEMENTS

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CITY OF ROSENBERG, TEXAS

STATEMENT OF NET POSITION

September 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<u>Assets</u>				
Cash and cash equivalents	\$ 78,383,060	\$ 8,311,176	\$ 86,694,236	\$ 8,113,904
Investments	2,000,000	-	2,000,000	-
Receivables, net of allowances	6,183,065	3,402,377	9,585,442	1,320,988
Receivable from component unit	969,412	-	969,412	-
Inventory	31,569	-	31,569	-
Prepays and other assets	90,245	397,945	488,190	16,000
Leases receivable	23,031	2,941,659	2,964,690	-
Restricted assets:				
Temporarily restricted cash and cash equivalents	-	33,424,170	33,424,170	-
	87,680,382	48,477,327	136,157,709	9,450,892
Capital assets:				
Nondepreciable capital assets	13,387,571	2,653,008	16,040,579	-
Depreciable capital assets, net	107,458,920	73,806,788	181,265,708	-
Amortizable right-to-use assets, net	87,053	-	87,053	-
Amortizable subscription assets, net	235,168	-	235,168	-
	121,168,712	76,459,796	197,628,508	-
Total Assets	208,849,094	124,937,123	333,786,217	9,450,892
<u>Deferred Outflows of Resources</u>				
Deferred charge on refunding	85,391	-	85,391	-
Deferred outflows - pensions	8,353,706	866,675	9,220,381	-
Deferred outflows - OPEB - SDBF	172,475	16,148	188,623	-
Total Deferred Outflows of Resources	8,611,572	882,823	9,494,395	-
<u>Liabilities</u>				
Accounts payable and accrued liabilities	5,999,064	4,070,879	10,069,943	1,060,954
Unearned revenue	8,096,610	-	8,096,610	-
Accrued bond interest	92,759	-	92,759	-
Noncurrent liabilities:				
Portion due within one year	5,022,702	124,966	5,147,668	164,205
Portion due in more than one year	76,448,197	4,252,751	80,700,948	805,207
Total Liabilities	95,659,332	8,448,596	104,107,928	2,030,366
<u>Deferred Inflows of Resources</u>				
Deferred inflows - leases	22,324	2,843,734	2,866,058	-
Deferred inflows - pensions	104,128	10,803	114,931	-
Deferred inflows - OPEB - SDBF	341,394	35,353	376,747	-
Deferred inflows - OPEB - retiree health	4,680,424	220,089	4,900,513	-
Total Deferred Inflows of Resources	5,148,270	3,109,979	8,258,249	-
<u>Net Position</u>				
Net investment in capital assets	83,929,892	76,337,796	160,267,688	-
Restricted for:				
Debt service	5,003,368	-	5,003,368	-
Public safety	1,986,911	-	1,986,911	-
Parks	1,962,714	-	1,962,714	-
Tourism	759,904	-	759,904	-
Governmental programming	2,208,912	-	2,208,912	-
Capital projects	9,210,680	-	9,210,680	-
Community development	7,832,805	-	7,832,805	-
Unrestricted	3,757,878	37,923,575	41,681,453	7,420,526
Total Net Position	\$ 116,653,064	\$ 114,261,371	\$ 230,914,435	\$ 7,420,526

See Notes to Financial Statements.

CITY OF ROSENBERG, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 6,650,592	\$ 3,547,310	\$ 224,676	\$ -
Public safety	21,841,266	1,975,113	62,911	184,187
Public works	10,267,010	2,820,523	-	8,281,145
Community development	3,688,036	76,580	-	-
Interest and fiscal agent fees	1,025,533	-	-	-
Total Governmental Activities	43,472,437	8,419,526	287,587	8,465,332
Business-Type Activities				
Water and wastewater	16,712,465	24,354,203	-	-
Solid waste	4,483,099	5,327,135	-	-
Civic center rentals	545,276	194,477	-	-
Total Business-Type Activities	21,740,840	29,875,815	-	-
Total Primary Government	\$ 65,213,277	\$ 38,295,341	\$ 287,587	\$ 8,465,332
Component Unit				
Rosenberg Development Corporation	\$ 6,027,994	\$ -	\$ -	\$ -
Total Component Unit	\$ 6,027,994	\$ -	\$ -	\$ -

General Revenues and Transfers:

Property taxes
 Sales taxes
 Hotel occupancy tax
 Investment revenue
 Other revenues
 Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
\$ (2,878,606)	\$ -	\$ (2,878,606)	\$ -
(19,619,055)	-	(19,619,055)	-
834,658	-	834,658	-
(3,611,456)	-	(3,611,456)	-
(1,025,533)	-	(1,025,533)	-
<u>(26,299,992)</u>	<u>-</u>	<u>(26,299,992)</u>	<u>-</u>
-	7,641,738	7,641,738	-
-	844,036	844,036	-
-	(350,799)	(350,799)	-
<u>-</u>	<u>8,134,975</u>	<u>8,134,975</u>	<u>-</u>
<u>(26,299,992)</u>	<u>8,134,975</u>	<u>(18,165,017)</u>	<u>-</u>
-	-	-	(6,027,994)
-	-	-	(6,027,994)
12,808,007	-	12,808,007	-
19,853,684	-	19,853,684	6,168,134
660,419	-	660,419	-
3,551,870	1,656,154	5,208,024	369,516
1,413,427	-	1,413,427	-
946,289	(946,289)	-	-
<u>39,233,696</u>	<u>709,865</u>	<u>39,943,561</u>	<u>6,537,650</u>
12,933,704	8,844,840	21,778,544	509,656
<u>103,719,360</u>	<u>105,416,531</u>	<u>209,135,891</u>	<u>6,910,870</u>
<u>\$ 116,653,064</u>	<u>\$ 114,261,371</u>	<u>\$ 230,914,435</u>	<u>\$ 7,420,526</u>

CITY OF ROSENBERG, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2023

	General	Debt Service	RDC Projects	American Rescue Plan
<u>Assets</u>				
Cash and cash equivalents	\$ 17,078,325	\$ 4,997,361	\$ 8,331,690	\$ 9,047,344
Investments	2,000,000	-	-	-
Receivables, net	5,413,185	152,716	-	-
Due from component unit	-	969,412	-	-
Prepaid items	83,282	-	-	-
Inventory	31,569	-	-	-
Leases receivable	23,031	-	-	-
Total Assets	\$ 24,629,392	\$ 6,119,489	\$ 8,331,690	\$ 9,047,344
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 3,970,094	\$ 3,500	\$ 498,885	\$ 481,546
Due to other governments	148,203	-	-	-
Unearned revenue	-	-	-	8,096,610
Total Liabilities	4,118,297	3,500	498,885	8,578,156
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	172,869	143,209	-	-
Unavailable revenue - court fines	81,242	-	-	-
Deferred inflows - leases	22,324	-	-	-
Receivable from component unit	-	969,412	-	-
Total Deferred Inflows of Resources	276,435	1,112,621	-	-
<u>Fund Balances</u>				
Nonspendable:				
Inventories	31,569	-	-	-
Prepays	83,282	-	-	-
Restricted for:				
Debt service	-	5,003,368	-	-
Public safety	-	-	-	-
Parks	-	-	-	-
Tourism	-	-	-	-
Governmental programming	-	-	-	469,188
Capital projects	-	-	-	-
Community development	-	-	7,832,805	-
Committed for:				
Capital projects	-	-	-	-
Assigned	300,000	-	-	-
Unassigned	19,819,809	-	-	-
Total Fund Balances	20,234,660	5,003,368	7,832,805	469,188
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 24,629,392	\$ 6,119,489	\$ 8,331,690	\$ 9,047,344

See Notes to Financial Statements.

Nonmajor Governmental	Total Governmental Funds
\$ 31,090,403	\$ 70,545,123
-	2,000,000
617,164	6,183,065
-	969,412
4,233	87,515
-	31,569
-	23,031
<u>\$ 31,711,800</u>	<u>\$ 79,839,715</u>
\$ 755,935	\$ 5,709,960
-	148,203
-	8,096,610
<u>755,935</u>	<u>13,954,773</u>
-	316,078
-	81,242
-	22,324
-	969,412
<u>-</u>	<u>1,389,056</u>
-	31,569
4,233	87,515
-	5,003,368
1,986,911	1,986,911
1,962,714	1,962,714
759,904	759,904
1,739,724	2,208,912
11,325,384	11,325,384
-	7,832,805
13,176,995	13,176,995
-	300,000
-	19,819,809
<u>30,955,865</u>	<u>64,495,886</u>
<u>\$ 31,711,800</u>	<u>\$ 79,839,715</u>

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CITY OF ROSENBERG, TEXAS
RECONCILIATION OF THE GOVERNMENTAL
FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
September 30, 2023

Total fund balances - governmental funds \$ 64,495,886

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	13,387,571
Capital assets, depreciable/amortizable	178,127,419
Accumulated depreciation/amortizable	(73,573,959)

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	316,078
Unavailable revenue - court fines	81,242
Receivable from component unit	969,412

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.

10,599,637

Some liabilities and assets, including debt payable, the net pension and total other postemployment benefit (OPEB) liability, accrued interest, and compensated absences, along with the deferred outflows and deferred inflows that are associated with these liabilities and assets are not reported in the governmental funds.

Accrued interest payable	(92,759)
Deferred charge on refunding	85,391
Deferred outflows - pensions	8,353,706
Deferred inflows - pensions	(104,128)
Deferred outflows - OPEB - SDBF	172,475
Deferred inflows - OPEB - SDBF	(341,394)
Deferred inflows - OPEB - retiree health	(4,680,424)
Noncurrent liabilities due in one year	(4,910,948)
Noncurrent liabilities due in more than one year	(76,232,141)

Net Position of Governmental Activities \$ 116,653,064

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, 2023

	General	Debt Service	RDC Projects	American Rescue Plan
Revenues				
Property taxes	\$ 6,506,858	\$ 6,257,405	\$ -	\$ -
Sales taxes	19,853,684	-	-	-
Franchise fees	2,150,596	-	-	-
Hotel occupancy tax	-	-	-	-
Licenses and permits	969,545	-	-	-
Fines and forfeitures	904,099	-	-	-
Charges for services	2,444,345	-	-	-
Intergovernmental	125,131	190,097	5,230,791	1,130,274
Investment revenue	1,011,398	262,103	353,230	420,651
Lease revenue	16,848	-	-	-
Other revenue	539,295	-	-	-
Total Revenues	34,521,799	6,709,605	5,584,021	1,550,925
Expenditures				
Current:				
General government	5,959,341	-	-	-
Public safety	17,899,738	-	-	-
Public works	5,495,517	-	-	-
Community development	2,781,077	-	700	-
Capital outlay	-	-	3,249,143	1,130,274
Debt service:				
Principal	-	5,375,000	-	-
Interest and fiscal agent fees	-	1,213,957	-	-
Total Expenditures	32,135,673	6,588,957	3,249,843	1,130,274
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,386,126	120,648	2,334,178	420,651
Other Financing Sources (Uses)				
Transfers in	3,144,440	-	-	-
Transfers (out)	(6,293,922)	-	-	-
Total Other Financing Sources (Uses)	(3,149,482)	-	-	-
Net Change in Fund Balances	(763,356)	120,648	2,334,178	420,651
Beginning fund balances	20,998,016	4,882,720	5,498,627	48,537
Ending Fund Balances	\$ 20,234,660	\$ 5,003,368	\$ 7,832,805	\$ 469,188

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 12,764,263
-	19,853,684
38,305	2,188,901
660,419	660,419
-	969,545
134,488	1,038,587
-	2,444,345
3,837,977	10,514,270
1,199,940	3,247,322
-	16,848
874,082	1,413,377
<u>6,745,211</u>	<u>55,111,561</u>
441,921	6,401,262
1,812,242	19,711,980
-	5,495,517
222,980	3,004,757
5,086,498	9,465,915
-	5,375,000
-	1,213,957
<u>7,563,641</u>	<u>50,668,388</u>
<u>(818,430)</u>	<u>4,443,173</u>
7,863,884	11,008,324
<u>(2,152,402)</u>	<u>(8,446,324)</u>
<u>5,711,482</u>	<u>2,562,000</u>
4,893,052	7,005,173
<u>26,062,813</u>	<u>57,490,713</u>
<u>\$ 30,955,865</u>	<u>\$ 64,495,886</u>

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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, 2023

Net changes in fund balances - total governmental funds \$ 7,005,173

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/amortization expense.

Capital outlay	6,997,331
Depreciation/amortization expense	(4,462,117)

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 Activities.

Principal payments	5,375,000
Amortization of premium	184,019
Amortization of deferred charges	(12,199)
Accrued interest	17,164

Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds. (113,670)

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	(118,292)
Net pension liability	(11,564,629)
Total OPEB liability - SDBF	302,951
Total OPEB liability - retiree health	(1,741,361)
Change in deferred outflows - pensions	5,759,909
Change in deferred inflows - pensions	4,871,719
Change in deferred outflows - OPEB - SDBF	(37,276)
Change in deferred inflows - OPEB - SDBF	(287,959)
Change in deferred outflows - OPEB - retiree health	(1,332,761)
Change in deferred inflows - OPEB - retiree health	1,288,500

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. 802,202

Change in Net Position of Governmental Activities	\$ 12,933,704
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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, 2023

	Business-Type Activities			
	Enterprise Funds			
	Water and Wastewater	Solid Waste	Civic Center Rentals	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 7,862,149	\$ -	\$ 449,027	\$ 8,311,176
Accounts receivable (net of allowance for uncollectibles)	3,295,948	106,429	-	3,402,377
Restricted cash and cash equivalents	33,137,407	279,568	7,195	33,424,170
Prepaid expense	397,945	-	-	397,945
Leases receivable owed within one year	164,691	-	-	164,691
Total Current Assets	44,858,140	385,997	456,222	45,700,359
Noncurrent assets				
Leases receivable in more than one year	2,776,968	-	-	2,776,968
Capital assets:				
Land	363,209	-	-	363,209
Construction in progress	2,289,799	-	-	2,289,799
Water and sewer system:				
Buildings	2,447,823	-	-	2,447,823
Infrastructure	117,259,793	-	-	117,259,793
Vehicles, machinery, and equipment	4,538,027	-	34,984	4,573,011
Less accumulated depreciation	(50,473,839)	-	-	(50,473,839)
Right-to-use assets, net of amortization	-	-	-	-
Subscription assets, net of amortization	-	-	-	-
Total Capital Assets (Net)	76,424,812	-	34,984	76,459,796
Total Noncurrent Assets	79,201,780	-	34,984	79,236,764
Total Assets	124,059,920	385,997	491,206	124,937,123
Deferred Outflows of Resources				
Deferred outflows - pensions	810,846	-	55,829	866,675
Deferred outflows - OPEB - SDBF	14,684	-	1,464	16,148
Total Deferred Outflows of Resources	825,530	-	57,293	882,823

**Governmental
Activities**

**Internal
Service**

\$ 7,837,937

-

-

2,730

-

7,840,667

-

-

-

-

-

6,761,561

(3,856,101)

87,053

235,168

3,227,681

3,227,681

11,068,348

-

-

-

CITY OF ROSENBERG, TEXAS

STATEMENT OF NET POSITION (Page 2 of 2)

PROPRIETARY FUNDS

September 30, 2023

	Business-Type Activities			
	Enterprise Funds			
	Water and Wastewater	Solid Waste	Civic Center Rentals	Total
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	\$ 1,475,363	\$ 378,068	\$ 53,996	\$ 1,907,427
Customer deposits	2,156,257	-	7,195	2,163,452
Bonds payable - current	21,000	-	-	21,000
Lease payables - current	-	-	-	-
Subscription liability - current	-	-	-	-
Compensated absences	93,541	-	10,425	103,966
Total Current Liabilities	3,746,161	378,068	71,616	4,195,845
Noncurrent liabilities				
Bonds payable - noncurrent	101,000	-	-	101,000
Leases payable - noncurrent	-	-	-	-
Subscription liability - noncurrent	-	-	-	-
Net pension liability - TMRS	1,891,852	-	130,259	2,022,111
Total OPEB liability - SDBF	45,997	-	5,072	51,069
Total OPEB liability - retiree health	1,890,011	-	177,009	2,067,020
Compensated absences	10,393	-	1,158	11,551
Total Noncurrent Liabilities	3,939,253	-	313,498	4,252,751
Total Liabilities	7,685,414	378,068	385,114	8,448,596
Deferred Inflows of Resources				
Deferred inflows - leases	2,843,734	-	-	2,843,734
Deferred inflows - pensions	10,107	-	696	10,803
Deferred inflows - OPEB - SBDF	32,939	-	2,414	35,353
Deferred inflows - OPEB - retiree health	203,164	-	16,925	220,089
Total Deferred Inflows of Resources	3,089,944	-	20,035	3,109,979
Net Position				
Net investment in capital assets	76,302,812	-	34,984	76,337,796
Unrestricted net position	37,807,280	7,929	108,366	37,923,575
Total Net Position	\$ 114,110,092	\$ 7,929	\$ 143,350	\$ 114,261,371

See Notes to Financial Statements.

**Governmental
Activities**

**Internal
Service**

\$ 140,901
-
-
57,739
54,015
-

252,655

-
28,973
187,083
-
-
-
-

216,056

468,711

-
-
-
-
-

-

2,899,871
7,699,766

\$ 10,599,637

CITY OF ROSENBERG, TEXAS

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

For the Year Ended September 30, 2023

	Business-Type Activities			
	Enterprise Funds			
	Water and Wastewater	Solid Waste	Civic Center Rentals	Total
<u>Operating Revenues</u>				
Water service	\$ 16,856,744	\$ -	\$ -	\$ 16,856,744
Sewer service	7,221,080	-	-	7,221,080
Charges for services	50,750	5,327,135	191,677	5,569,562
Lease revenue	225,629	-	-	225,629
Other revenue	-	-	2,800	2,800
Total Operating Revenues	24,354,203	5,327,135	194,477	29,875,815
<u>Operating Expenses</u>				
Personnel services	2,967,584	-	308,598	3,276,182
Supplies and materials	477,682	-	12,330	490,012
Contractual services	6,961,395	4,483,099	1,150	11,445,644
Repairs and maintenance	3,401,587	-	223,198	3,624,785
Depreciation/amortization	2,904,217	-	-	2,904,217
Total Operating Expenses	16,712,465	4,483,099	545,276	21,740,840
Operating Income (Loss)	7,641,738	844,036	(350,799)	8,134,975
<u>Nonoperating Revenues (Expenses)</u>				
Investment revenue	1,624,193	13,893	18,068	1,656,154
Interest expense and fiscal charges	-	-	-	-
Total Nonoperating Revenues	1,624,193	13,893	18,068	1,656,154
Income (Loss) Before Transfers and Contributions	9,265,931	857,929	(332,731)	9,791,129
<u>Transfers and Contributions</u>				
Capital contribution - capital assets	1,615,711	-	-	1,615,711
Transfers in	-	-	395,000	395,000
Transfers (out)	(2,107,000)	(850,000)	-	(2,957,000)
Total Transfers and Contributions	(491,289)	(850,000)	395,000	(946,289)
Change in Net Position	8,774,642	7,929	62,269	8,844,840
Beginning net position	105,335,450	-	81,081	105,416,531
Ending Net Position	\$ 114,110,092	\$ 7,929	\$ 143,350	\$ 114,261,371

See Notes to Financial Statements.

Governmental	
Activities	
Internal	
Service	
<hr/>	
\$	-
	-
	-
	-
	5,692,522
<hr/>	
	5,692,522
<hr/>	
	-
	-
	-
	4,720,190
	474,118
<hr/>	
	5,194,308
<hr/>	
	498,214
<hr/>	
	304,548
	(560)
<hr/>	
	303,988
<hr/>	
	802,202
<hr/>	
	-
	-
	-
<hr/>	
	-
	802,202
	9,797,435
<hr/>	
\$	10,599,637
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CITY OF ROSENBERG, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2023

	Business-Type Activities			
	Enterprise Funds			
	Water and Wastewater	Solid Waste	Civic Center Rentals	Total
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ 23,502,607	\$ 5,220,706	\$ 194,477	\$ 28,917,790
Payments to suppliers	(10,730,227)	(4,105,031)	(198,643)	(15,033,901)
Payments to employees	(2,559,762)	-	(301,305)	(2,861,067)
Net Cash Provided (Used) by Operating Activities	10,212,618	1,115,675	(305,471)	11,022,822
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers from other funds	-	-	395,000	395,000
Transfers (to) other funds	(2,107,000)	(850,000)	-	(2,957,000)
Net Cash Provided (Used) by Noncapital Financing Activities	(2,107,000)	(850,000)	395,000	(2,562,000)
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition and construction of capital assets	(1,133,735)	-	-	(1,133,735)
Interest and fiscal charges	-	-	-	-
Principal paid on capital debt	(21,000)	-	-	(21,000)
Net Cash (Used) by Capital and Related Financing Activities	(1,154,735)	-	-	(1,154,735)
<u>Cash Flows from Investing Activities</u>				
Interest on investments	1,624,193	13,893	18,068	1,656,154
Net Cash Provided by Investing Activities	1,624,193	13,893	18,068	1,656,154
Net Increase in Cash and Cash Equivalents	8,575,076	279,568	107,597	8,962,241
Cash and cash equivalents, beginning of year	32,424,480	-	348,625	32,773,105
Ending Cash and Cash Equivalents	\$ 40,999,556	\$ 279,568	\$ 456,222	\$ 41,735,346
Ending Cash and Cash Equivalents:				
Unrestricted cash and cash equivalents	\$ 7,862,149	\$ -	\$ 449,027	\$ 8,311,176
Restricted cash and cash equivalents	33,137,407	279,568	7,195	33,424,170
Ending Cash and Cash Equivalents	\$ 40,999,556	\$ 279,568	\$ 456,222	\$ 41,735,346

See Notes to Financial Statements.

**Governmental
Activities**

**Internal
Service**

\$ 5,757,256
(4,669,242)

-

1,088,014

-

-

-

(512,208)

(560)

(104,519)

(617,287)

304,548

304,548

775,275

7,062,662

\$ 7,837,937

\$ 7,837,937

-

\$ 7,837,937

CITY OF ROSENBERG, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2023

	Business-Type Activities			
	Enterprise Funds			
	Water and Wastewater	Solid Waste	Civic Center Rentals	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 7,641,738	\$ 844,036	\$ (350,799)	\$ 8,134,975
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization	2,904,217	-	-	2,904,217
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in Assets:				
Accounts receivable	(798,475)	(106,429)	-	(904,904)
Prepays	835	-	21	856
Change in lease receivable	157,604	-	-	157,604
Deferred outflows - pensions	(587,094)	-	(35,812)	(622,906)
Deferred outflows - OPEB - SDBF	3,618	-	249	3,867
Deferred outflows - OPEB - retiree health	159,636	-	14,298	173,934
Increase (Decrease) in Liabilities:				
Accounts payable and accrued liabilities	(62,951)	378,068	35,500	350,617
Compensated absences	(16,396)	-	4,352	(12,044)
Customer deposits	172,553	-	2,514	175,067
Deferred inflows - leases	(210,725)	-	-	(210,725)
Net pension liability	1,122,590	-	49,449	1,172,039
Total OPEB liability - SDBF	(29,406)	-	(2,024)	(31,430)
Total OPEB liability - retiree health	169,024	-	11,638	180,662
Deferred inflows - pensions	(317,034)	-	(28,169)	(345,203)
Deferred inflows - OPEB - SDBF	27,951	-	1,924	29,875
Deferred inflows - OPEB - retiree health	(125,067)	-	(8,612)	(133,679)
Net Cash Provided (Used) by Operating Activities	\$ 10,212,618	\$ 1,115,675	\$ (305,471)	\$ 11,022,822
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ 1,615,711	\$ -	\$ -	\$ 1,615,711

See Notes to Financial Statements.

**Governmental
Activities**

**Internal
Service**

\$ 498,214

474,118

-
64,734

-
-
-
-

50,948

-
-
-
-
-
-
-
-

\$ 1,088,014

\$ -

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CITY OF ROSENBERG, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

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, 2023

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 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.

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.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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 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, with the exception of the RDC Projects fund and the American Rescue Plan fund that are considered major funds 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 American Rescue Plan fund is used to account for coronavirus grant funding.

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, (ii) solid waste collection, and (iii) 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 funds account 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 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.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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 transfers 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 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 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.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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 are 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 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.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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 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 net 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 assets 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 net 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 assets 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.
- Deferred inflows related to leases are amortized over the terms of the leases.

At the fund level, the City has four types of items, which arise only under a modified accrual basis of accounting, that qualify 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. Other type of deferred inflows are for the long-term receivable from the RDC for its portion of debt and deferred inflows that are related to leases receivable.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

7. Compensated Employee Absences

The City's employees earn vacation and compensatory time along with sick leave which may either be taken or accumulated, up to certain amounts, until paid upon termination or retirement. Vacation pay and compensatory time are accrued when incurred in the government-wide and proprietary fund financial statements. Employees shall also receive reimbursement for 15% (or up to a max depending on years of service) of unused, accrued sick leave at the time of separation or retirement if employee has worked 12 months prior to separation and employee has not been terminated or resigned in lieu of termination. 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.

Assets acquired under the terms of a lease are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. The City has leases payable and right-to-use assets recorded in the internal service funds which are proprietary funds that are reported with governmental activities on the Statement of Net Position. Lease payments represent both principal and interest with the principal reducing the lease payable on the Statement of Net Position and the interest being recorded as an expense on the Statement of Revenues, Expenses, and Changes in Fund Net Position for the proprietary funds.

9. Leases

Lessee

The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible, right-to-use lease asset (the "lease asset") in the government-wide financial statements. The City recognizes a lease liability and lease asset with an initial, individual value of at least \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor

The City is a lessor for noncancellable leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

10. Subscription-Based Information Technology Arrangements

The City has noncancellable subscription-based information technology arrangements (SBITAs) to finance the use of information technology software. The City recognizes a liability (the “subscription liability”) and an intangible, right-to-use subscription asset (the “subscription asset”) in the government-wide financial statements.

At the commencement of the SBITAs, the City initially measures the subscription liability at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using either the implicit rate or the City’s incremental

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

borrowing rate if the interest rate is not readily determinable. The subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, plus payments made before the commencement of the subscription term and capitalizable implementation costs. The subscription asset is reduced for any vendor incentives received. The subscription asset is amortized on a straight-line basis over the subscription term.

Key estimates and judgments related to the SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) term of the subscription arrangements, and (3) subscription payments.

- The City uses the interest rate charged on the SBITAs as the discount rate. When the interest rate charged on the SBITAs is not provided, the City uses its estimated incremental borrowing rate as the discount rate.
- The term includes the noncancellable period of the SBITAs plus options periods, in which one party may exercise, that the City is reasonably certain will be exercised.
- The subscription payments included in the measurement of the subscription liability are composed of fixed or fixed in substance payments and other payments associated with the SBITA that the City is reasonably certain to make based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its subscription arrangements and will remeasure the subscription liability and asset if certain changes occur that are expected to significantly affect the amount of the subscription liability. The subscription liabilities are reported with long-term debt and the subscription assets are reported with other capital assets on the Statement of Net Position.

11. 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.

12. 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.

13. 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, 2023

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.

14. 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.

15. 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.

16. Other Postemployment Benefits

The City participates in a defined benefit group-term life insurance plan administered by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources,

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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 leases. 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 for 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, 2023. The RDC projects fund, hotel/motel occupancy tax fund, municipal court technology fund, beautification fund, law enforcement fund, Community Development Block Grant fund, police asset forfeiture fund, park land dedication fund, juvenile case manager fund, municipal court child safety fund, municipal court building security fund, municipal utility district fire fund, police federal forfeiture fund, fire station No. 3 fund, cable public-educational-governmental (PEG) fees fund, and CDBG Mitigation Drainage Improvement Fund are all special revenue funds that have adopted budgets.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2023, the City had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value Measurement</u>
Primary government			
LOGIC	\$ 29,241,888	0.11	N/A
TexPool	59,753,548	0.24	N/A
Lone Star	8,041,411	0.27	N/A
CLASS	16,538,107	0.20	N/A
Farmers MAC Bullet Bond	2,000,000	0.99	Level 2
Total Investments	<u>\$ 115,574,954</u>		
Portfolio weighted average maturity		0.21	
Component unit			
Certificates of deposit	\$ 252,858	0.52	N/A
TexPool	7,720,220	0.24	N/A
Total Investments	<u>\$ 7,973,078</u>		
Portfolio weighted average maturity		0.25	

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value establishing a three-level fair value hierarchy that describes the inputs used to measure assets and liabilities:

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Fair value is measured in a manner consistent with one of the three approaches: market approach, cost approach, and the income approach. The valuation methodology used is based upon whichever technique is the most appropriate and provides the best representation of fair value for that particular asset or liability. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or groups of assets and liabilities. The cost approach reflects the amount that would be required to replace the present service

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

capacity of an asset. The income approach converts future amounts, such as cash flows, to a single current (discounted) amount.

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

Credit risk. The City's investment policy limits investments in public fund investment pools rated as to investment quality not less than "AAA" 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, 2023, 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, 2023, 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 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.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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 & 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 spreads 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 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 investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS’ website at www.texasclass.com.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

B. Receivables

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

	Governmental Funds			Proprietary Funds		Component Unit
	General	Debt Service	Nonmajor	Water and Wastewater	Solid Waste	
	Property taxes	\$ 181,458	\$ 149,983	\$ -	\$ -	
Sales taxes	3,999,512	-	-	-	-	1,320,988
Hotel taxes	-	-	55,738	-	-	-
Franchise fees	114,280	-	8,353	-	-	-
Intergovernmental	218,996	-	553,073	-	-	-
Accounts receivable	754,400	-	-	3,306,686	106,429	-
Other receivables	1,414,912	3,403	-	20,864	-	-
Less allowance	(1,270,373)	(670)	-	(31,602)	-	-
	<u>\$ 5,413,185</u>	<u>\$ 152,716</u>	<u>\$ 617,164</u>	<u>\$ 3,295,948</u>	<u>\$ 106,429</u>	<u>\$ 1,320,988</u>

C. Leases Receivable

The City has lease agreements (the “Agreements”) as a lessor for the use of the City’s infrastructure located throughout the City with the lessee using the City’s infrastructure to install signal equipment and transmission wiring for communication. The lease receipts for the Agreements are based on an annual basis, and the Agreements’ activity is part of the City’s general fund and water and wastewater fund. The remaining terms of the Agreements, including the option for the lessee to extend the term in which it is reasonably certain that the lessee will exercise, range from 2 to 18 years. Annual receipts for the Agreements vary each year. The leases receivable and deferred inflows from leases were measured using an incremental borrowing rate, which is also considered the interest rate on the leases receivable, of 0.475%. As of September 30, 2023, the City’s total lease revenue from the Agreements was \$242,477, which includes the amortization of the deferred inflows from leases and interest portion of the lease receipts. The remaining principal and interest payments along with the amortization of the deferred inflows of resources from the Agreements for the general fund and water and wastewater fund are as follows:

Fiscal Year Ending Sept. 30	General Fund			
	Lease Receipts			Amortization of Deferred Inflows
	Principal	Interest	Total	
2024	\$ 17,211	\$ 50	\$ 17,261	\$ 16,743
2025	5,820	4	5,824	5,581
Total	<u>\$ 23,031</u>	<u>\$ 54</u>	<u>\$ 23,085</u>	<u>\$ 22,324</u>

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Fiscal Year Ending Sept. 30	Water and Wastewater Fund			
	Principal	Lease Receipts		Amortization of Deferred Inflows
		Interest	Total	
2024	\$ 164,691	\$ 14,113	\$ 178,804	\$ 210,725
2025	172,047	13,286	185,333	210,726
2026	147,117	12,422	159,539	190,041
2027	121,019	11,675	132,694	167,778
2028	126,221	11,100	137,321	156,799
2029-2033	716,003	45,978	761,981	783,995
2034-2038	877,564	27,494	905,058	783,995
2039-2041	616,997	5,939	622,936	339,675
Total	\$ 2,941,659	\$ 142,007	\$ 3,083,666	\$ 2,843,734

D. Capital Assets

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

	Primary Government			
	Beginning Balance	Increases	(Decreases)/ Reclassifications	Ending Balance
Governmental Activities:				
Capital assets not being depreciated/ amortized:				
Land	\$ 6,126,946	\$ -	\$ -	\$ 6,126,946
Construction in progress	6,134,424	6,288,388	(5,162,187)	7,260,625
Total capital assets not being depreciated/amortized	12,261,370	6,288,388	(5,162,187)	13,387,571
Other capital assets:				
Infrastructure	145,361,188	5,403,047	-	150,764,235
Buildings and improvements	14,625,066	-	-	14,625,066
Vehicles, machinery, and equipment	17,768,340	2,455,620	(724,281)	19,499,679
Right-to-use leased equipment	201,428	-	-	201,428
Subscription assets for equipment	-	288,152	-	288,152
Total other capital assets	177,956,022	8,146,819	(724,281)	185,378,560
Less accumulated depreciation/ amortization for:				
Infrastructure	(51,368,609)	(3,611,593)	-	(54,980,202)
Buildings and improvements	(8,300,913)	(351,104)	-	(8,652,017)
Vehicles, machinery, and equipment	(13,658,755)	(863,367)	724,281	(13,797,841)
Right-to-use leased equipment	(57,188)	(57,187)	-	(114,375)
Subscription assets for equipment	-	(52,984)	-	(52,984)
Total accumulated depreciation/ amortization	(73,385,465)	(4,936,235)	724,281	(77,597,419)
Other capital assets, net	104,570,557	3,210,584	-	107,781,141
Governmental Activities Capital Assets, Net	\$ 116,831,927	\$ 9,498,972	\$ (5,162,187)	121,168,712
			Plus deferred loss on refunding	85,391
			Plus unspent bond proceeds	2,114,704
			Less associated debt	(39,438,915)
			Net Investment in Capital Assets	\$ 83,929,892

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

The depreciation and amortization expense on the capital assets was charged to governmental functions as follows:

General government	\$	272,403
Public safety		752,129
Public works		3,582,384
Community development		<u>329,319</u>
Total Governmental Activities Depreciation and Amortization Expense	\$	<u>4,936,235</u>

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 363,209	\$ -	\$ -	\$ 363,209
Construction in progress	<u>4,885,148</u>	<u>2,265,978</u>	<u>(4,861,327)</u>	<u>2,289,799</u>
Total capital assets not being depreciated	<u>5,248,357</u>	<u>2,265,978</u>	<u>(4,861,327)</u>	<u>2,653,008</u>
Other capital assets:				
Water and sewer system	114,846,289	4,861,327	-	119,707,616
Vehicles, machinery, and equipment	<u>4,127,516</u>	<u>483,468</u>	<u>(37,973)</u>	<u>4,573,011</u>
Total other capital assets	<u>118,973,805</u>	<u>5,344,795</u>	<u>(37,973)</u>	<u>124,280,627</u>
Less accumulated depreciation for:				
Water and sewer system	(44,993,763)	(2,649,203)	-	(47,642,966)
Vehicles, machinery, and equipment	<u>(2,613,832)</u>	<u>(255,014)</u>	<u>37,973</u>	<u>(2,830,873)</u>
Total accumulated depreciation	<u>(47,607,595)</u>	<u>(2,904,217)</u>	<u>37,973</u>	<u>(50,473,839)</u>
Other capital assets, net	<u>71,366,210</u>	<u>2,440,578</u>	<u>-</u>	<u>73,806,788</u>
Business-Type Activities Capital Assets, Net	<u>\$ 76,614,567</u>	<u>\$ 4,706,556</u>	<u>\$ (4,861,327)</u>	<u>76,459,796</u>
			Less associated debt	<u>(122,000)</u>
			Net Investment in Capital Assets	<u>\$ 76,337,796</u>

Depreciation was charged to business-type functions as follows:

Water and wastewater	\$	<u>2,904,217</u>
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CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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

Project Description	Total in Progress	Remaining Commitment
Governmental activities:		
American Rescue Plan Act (ARPA) Infrastructure	\$ 1,414,085	\$ 8,077,851
Bamore Road Extension Project	1,876,622	-
Benton Rd County Mobility	743,656	5,401,344
Business Park Development	1,686,527	-
CDBG-MIT Drainage Infrastructure Improvements	3,361,253	45,149,247
Cummings/Baker Road Extension	-	1,250,000
Fairground Rd Expansion & Utility Replacement	58,444	241,556
Fire Station No. 1 Renovations	276,456	4,457,764
Koeblen Road Project (FM 2218 to City Limits)	200,000	5,542,795
Koeblen Road Project (SH 36 at Band to FM 2218)	-	8,030,000
Railroad Quiet Zones	989,948	456,666
Road Improvements - Street Overlay Program	1,153,879	1,996,122
Seabourne Creek Nature Center	287,550	97,450
Sidewalk Improvements	273,729	683,896
Traffic Light Signal at Reading & Town Center Blvd	62,991	389,385
Total Governmental Activities	\$ 12,385,140	\$ 81,774,076
Business-type activities:		
CDBG North Side Water Imp-Phase VIII	\$ -	\$ 666,675
CDBG Blume Road Sanitary Sewer - Phase I	-	660,771
CDBG Blume Road Sanitary Sewer - Phase II	-	816,383
Elevated Storage Tank #3 Repair & Recoat	6,960	643,040
FM 2218 Waterline Extension	2,365,417	-
Sanitary Sewer Pipe Bursting Phase IV	2,495,910	-
SCADA Project	378,653	101,347
Water Well No. 11 at Water Plant 8	355,364	4,444,636
Water Well No. 12 at Water Plant 9	-	3,600,000
Total Business-Type Activities	\$ 5,602,304	\$ 10,932,852

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

E. Long-Term Debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Direct borrowings/placements:					
General obligation bonds	\$ 14,150,000	\$ -	\$ (1,885,000)	\$ 12,265,000	\$ 1,950,000
Certificates of obligation	28,915,000	-	(3,490,000)	25,425,000	1,720,000
Deferred amounts:					
Bond issuance premiums	1,605,124	-	(184,019)	1,421,105	-
	<u>44,670,124</u>	<u>-</u>	<u>(5,559,019)</u>	<u>39,111,105</u>	<u>* 3,670,000</u>
Other liabilities:					
Leases payable	144,177	-	(57,465)	86,712	* 57,739
Subscription liability	-	288,152	(47,054)	241,098	* 54,015
Net pension liability	7,926,093	11,564,629	-	19,490,722	-
Total OPEB liability - SDBF	936,073	-	(302,951)	633,122	-
Total OPEB liability - retiree health	18,787,948	1,741,361	-	20,529,309	-
Compensated absences	1,260,539	118,292	-	1,378,831	1,240,948
	<u>1,260,539</u>	<u>118,292</u>	<u>-</u>	<u>1,378,831</u>	<u>1,240,948</u>
Total Governmental Activities	<u>\$ 73,724,954</u>	<u>\$ 13,712,434</u>	<u>\$ (5,966,489)</u>	<u>\$ 81,470,899</u>	<u>\$ 5,022,702</u>

Long-term debt due in more than one year \$ 76,448,197

***Debt associated with governmental activities capital assets** \$ 39,438,915

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities:					
Direct borrowings/placements:					
Revenue bonds	\$ 143,000	\$ -	\$ (21,000)	\$ 122,000	\$ 21,000
	<u>143,000</u>	<u>-</u>	<u>(21,000)</u>	<u>122,000</u>	<u>* 21,000</u>
Other liabilities:					
Net pension liability	850,072	1,172,039	-	2,022,111	-
Total OPEB liability - SDBF	82,499	-	(31,430)	51,069	-
Total OPEB liability - retiree health	1,886,358	180,662	-	2,067,020	-
Compensated absences	127,561	-	(12,044)	115,517	103,966
	<u>127,561</u>	<u>-</u>	<u>(12,044)</u>	<u>115,517</u>	<u>103,966</u>
Total Business-Type Activities	<u>\$ 3,089,490</u>	<u>\$ 1,352,701</u>	<u>\$ (64,474)</u>	<u>\$ 4,377,717</u>	<u>\$ 124,966</u>

Long-term debt due in more than one year \$ 4,252,751

***Debt associated with business-type activities capital assets** \$ 122,000

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Discretely Presented					
Component Unit:					
Notes payable	\$ 1,126,825	\$ -	\$ (157,413)	\$ 969,412	\$ 164,205
Total Discretely Presented					
Component Unit	\$ 1,126,825	\$ -	\$ (157,413)	\$ 969,412	\$ 164,205
Long-term debt due in more than one year				\$ 805,207	

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, the net pension liability, and total OPEB liabilities are fully liquidated by the general fund.

The revenue bonds that remained outstanding at year end 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 capital finance agreement that was paid in full at year end was also solely secured by 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 lease and subscription liabilities outstanding as of September 30, 2023:

Description	Original Issue	Matures	Interest Rates	Balance
<u>Governmental Activities</u>				
General Obligation Bonds				
General Obligation, Series 2014	\$ 1,565,000	2034	3.00-4.00%	\$ 845,000
Refunding Bonds, Series 2017	\$ 7,390,000	2028	2.00-4.00%	3,435,000
Refunding Bonds, Series 2017A	\$ 4,945,000	2029	3.00%	2,725,000
Refunding Bonds, Series 2020	\$ 7,785,000	2030	3.00%	5,260,000
			Total General Obligation Bonds	12,265,000
Certificates of Obligation				
Certificates of Obligation, Series 2014	\$ 5,000,000	2034	2.00-3.50%	3,180,000
Certificates of Obligation, Series 2014A	\$ 3,000,000	2034	3.00-4.00%	1,880,000
Combined Tax and Revenue , Series 2015	\$ 9,760,000	2035	2.30-3.00%	6,435,000
Combined Tax and Revenue , Series 2016	\$ 9,825,000	2036	2.00-2.05%	6,815,000
Certificates of Obligation, Series 2017	\$ 9,320,000	2037	3.00%	7,115,000
			Total Certificates of Obligation	25,425,000
Leases payable				
Right-to-use assets - equipment	\$ 201,428	2025	0.48%	86,712
Subscription liabilities				
Subscription assets - dispatch software	\$ 288,152	2027	3.31%	241,098
			Total Governmental Activities Long-Term Debt	\$ 38,017,810
<u>Business-Type Activities</u>				
Revenue Bonds				
Combined Tax and Revenue, Series 2010	\$ 394,000	2029	N/A	\$ 122,000
			Total Business-Type Activities Long-Term Debt	\$ 122,000

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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

Fiscal Year Ending Sept. 30	Governmental Activities			
	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2024	\$ 1,950,000	\$ 383,650	\$ 1,720,000	\$ 674,852
2025	2,040,000	313,275	1,760,000	630,201
2026	2,130,000	235,825	1,810,000	584,114
2027	2,225,000	158,900	1,865,000	536,289
2028	1,705,000	91,838	1,920,000	486,214
2029-2033	2,140,000	91,463	10,480,000	1,581,161
2034-2037	75,000	1,500	5,870,000	244,329
Total	\$ 12,265,000	\$ 1,276,451	\$ 25,425,000	\$ 4,737,160

Fiscal Year Ending Sept. 30	Business-Type Activities	
	Revenue Bonds	
	Principal	Interest
2024	\$ 21,000	\$ -
2025	21,000	-
2026	21,000	-
2027	21,000	-
2028	21,000	-
2029	17,000	-
Total	\$ 122,000	\$ -

Notes Payable

Portions of the 2017A and 2020 general obligation refunding bonds are being paid from the RDC in the amounts of \$844,750, and \$124,662, 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 Sept. 30	Component Unit	
	Principal	Interest
2024	\$ 164,205	\$ 28,022
2025	172,785	23,141
2026	179,814	18,136
2027	186,843	12,748
2028	193,873	7,259
2029-2030	71,892	6,563
Total	\$ 969,412	\$ 95,869

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, 2023

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 \$362,375,706. The net indebtedness subject to the debt limit is \$32,816,777 resulting in a legal debt margin of \$329,558,929.

Leases Payable

The City has lease agreements as lessee for the use of copiers which is paid by the City’s governmental activities within the City’s internal service fund. As of September 30, 2023, the value of the lease liability was \$86,712. The City is required to make monthly principal and interest payments of \$4,835 for the remaining term of the lease for 18 months as of September 30, 2023. The lease interest rate is based on an incremental borrowing rate of 0.475%. In addition, the City’s right-to-use lease assets will be amortized using a straight-line basis over the remaining term of the leases. The value of the right-to-use lease assets as of the end of the current fiscal year was \$201,428 and had accumulated amortization of \$114,375. The future principal and interest lease payments as of September 30, 2023 were as follows:

Fiscal Year Ending Sept. 30	Internal Service Fund Equipment		
	Principal	Interest	Total
2024	\$ 57,739	\$ 286	\$ 58,025
2025	28,973	40	29,013
Total	\$ 86,712	\$ 326	\$ 87,038

Subscription Liability

During the fiscal year, the City entered into subscription-based information technology arrangements (SBITAs) to control the right to use dispatch software for equipment that is recorded within the City’s internal service fund. The SBITAs commenced or were in effect at the beginning of fiscal year 2023, and the term is for 5 years. Principal and interest payments are due annually and the estimated incremental borrowing rate for the SBITAs is 3.31%. The initial liability and subscription assets at commencement of the arrangement was \$288,152. The value of the subscription liability as of September 30, 2023 was \$241,098. The amortization of the subscription assets at September 30, 2023 was \$52,984. The remaining annual requirements to amortize the subscription liability from the SBITAs at year end were as follows:

Fiscal Year Ending Sept. 30	Internal Service Fund Subscription		
	Principal	Interest	Total
2024	\$ 54,015	\$ 7,968	\$ 61,983
2025	57,642	6,183	63,825
2026	61,801	4,278	66,079
2027	67,640	2,236	69,876
Total	\$ 241,098	\$ 20,665	\$ 261,763

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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.

F. 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	\$ 187,440
General	Water and wastewater	2,107,000
General	Solid waste	850,000
Civic center	General	60,000
Civic center	Nonmajor governmental	335,000
Nonmajor governmental	General	6,233,922
Nonmajor governmental	Nonmajor governmental	1,629,962
	Total	\$ 11,403,324

Transfers to the general fund from the water and wastewater fund were subsidies for administrative expenditures. There are also transfers 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.

G. Fund Balance

As of September 30, 2023, \$1,510,052 of the City's total fund balance is restricted by enabling legislation.

Hotel/Motel	\$ 764,137
Municipal Court Building Security	59,159
Municipal Court Child Safety	201,404
Juvenile Case Manager	127,015
PEG fees	343,983
Municipal Court Technology	14,354
Total Restricted by Enabling Legislation	\$ 1,510,052

H. Restricted Assets

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

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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 more than 2,800 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, 2023, the City expects the amounts paid on workers’ compensation will 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.

C. Pension Plans

1. Texas Municipal Retirement System

Plan Description

The City participates as one of 909 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the “TMRS Act”) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees (the “Board”); however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at tmrs.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.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

At retirement, the member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions 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:

	2023	2022
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	50% of CPI

Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits		202
Inactive employees entitled to, but not yet receiving, benefits		213
Active employees		277
Total		692

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City-matching percentages are either 100%, 150%, or 200%, 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 actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.05% and 15.87% in calendar years 2023 and 2022, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2023 were \$3,200,463, which were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the NPL 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, 2023

Actuarial Assumptions

The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are 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 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 is applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for the annuity purchase rates is based on the mortality experience investigation study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, TMRS' 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 public equities	35%	7.7%
Core fixed income	6%	4.9%
Non-core fixed income	20%	8.7%
Other public and private markets	12%	8.1%
Real estate	12%	5.8%
Hedge funds	5%	6.9%
Private equity	10%	11.8%
Total	<u>100%</u>	

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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 member and employer contributions will be made at the rates specified in statute. Based on that assumption, TMRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 3,182,649	\$ -	\$ 3,182,649
Interest	6,393,119	-	6,393,119
Difference between expected and actual experience	1,190,827	-	1,190,827
Contributions - employer	-	2,997,541	(2,997,541)
Contributions - employee	-	1,322,169	(1,322,169)
Net investment income	-	(6,300,312)	6,300,312
Benefit payments, including refunds of employee contributions	(3,752,640)	(3,752,640)	-
Administrative expense	-	(54,473)	54,473
Other changes	-	65,002	(65,002)
Net Changes	7,013,955	(5,722,713)	12,736,668
Balance at December 31, 2021	95,012,866	86,236,701	8,776,165
Balance at December 31, 2022	\$ 102,026,821	\$ 80,513,988	\$ 21,512,833

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 38,544,691	\$ 21,512,833	\$ 7,909,929

Pension Plan Fiduciary Net Position

Detailed information about TMRS's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

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

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$4,337,266.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,150,894	\$ 114,931
Changes in actuarial assumptions	42,405	-
Difference between projected and actual investment earnings	5,578,340	-
Contributions subsequent to the measurement date	2,448,742	-
Total	\$ 9,220,381	\$ 114,931

\$2,448,742 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30	Pension Expense
2024	\$ 706,962
2025	1,667,733
2026	1,790,353
2027	2,491,660
Total	\$ 6,656,708

2. Texas Statewide Emergency Services Personnel Retirement Fund

Plan Description

The City participates in a cost-sharing multiple employer pension plan that has a special funding situation. The plan is administered by the Texas Emergency Services Retirement System (TESRS) and established and administered by the State to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. At August 31, 2022, there were 235 contributing fire and/or emergency services department members participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a member department. Detailed information about the TESRS's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and Required Supplementary Information. TESRS issues a publicly available Annual Financial Report, which includes financial statements, notes, and Required Supplementary Information, which can be obtained at www.tesrs.org. The separately issued actuarial valuations that may be of interest are also available at the same link.

Funding Policy

The contribution requirements of TESRS 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 \$36 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 TESRS for service prior to entry in TESRS. The City's contributions to TESRS for the years ended September 30, 2023, 2022, and 2021 were

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

\$36,107, \$45,367, and \$43,833, respectively, and were equal to the required contributions for each year.

Based on the net position effect of \$25,439 (net pension liability of \$25,439 as of the measurement date of August 31, 2022), management has determined the effect of these amounts are not material to the financial statements and the amounts have not been recorded in the government-wide financial statements.

D. Postemployment Benefits

The City provides for two other postemployment benefits (OPEB) plans; one provides for postemployment healthcare insurance benefits through a single employer defined benefit medical plan (Retiree Healthcare Plan), and the other is the Texas Municipal Retirement System (TMRS) Supplemental Death Benefits Fund (SDBF), a single employer defined benefit OPEB plan. Both plans are described in detail below. Aggregate amounts for the two OPEB plans are as follows:

	Retiree Healthcare Plan	TMRS SDBF	Totals
OPEB liability	\$ 22,596,329	\$ 684,191	\$ 23,280,520
Deferred outflows of resources	\$ -	\$ 188,623	\$ 188,623
Deferred inflows of resources	\$ 4,900,513	\$ 376,747	\$ 5,277,260
OPEB expense	\$ 2,516,231	\$ 39,646	\$ 2,555,877

1. TMRS – Supplemental Death Benefits

Plan Description

The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (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 GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (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 SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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, 2022 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	125
Inactive employees entitled to, but not yet receiving, benefits	64
Active employees	277
Total	466

Total OPEB Liability

The City's total OPEB liability of \$684,191 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 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*	4.05%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% 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, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. Due to the higher mortality rates associated with the global pandemic, the TMRS Board adopted changes to the assumptions and methodology used for calculating 2023 and 2024 rates as determined in the December 31, 2021 and December 31, 2022 actuarial valuations, respectively.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Changes in the Total OPEB Liability

		<u>Total OPEB Liability</u>
Changes for the year:		
Service cost	\$	43,443
Interest		19,037
Differences between expected and actual experience		14,079
Changes of assumptions		(399,607)
Benefit payments*		(11,333)
	Net Changes	<u>(334,381)</u>
Beginning balance		1,018,572
	Ending Balance	<u>\$ 684,191</u>

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

The discount rate increased from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

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

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

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

	<u>1% Decrease in Discount Rate (3.05%)</u>	<u>Discount Rate (4.05%)</u>	<u>1% Increase in Discount Rate (5.05%)</u>
City's Total OPEB Liability	\$ 834,710	\$ 684,191	\$ 568,878

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

At September 30, 2023, the City recognized OPEB expense of \$39,646. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 17,109	\$ 28,324
Changes in actuarial assumptions	159,308	348,423
Contributions subsequent to the measurement date	12,206	-
Total	<u>\$ 188,623</u>	<u>\$ 376,747</u>

\$12,206 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2024.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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

Fiscal Year Ended September 30	OPEB Expense
2024	\$ (24,537)
2025	(28,850)
2026	(29,107)
2027	(47,366)
2028	(58,034)
Thereafter	(12,436)
Total	\$ (200,330)

2. Retiree Healthcare Plan

Plan Description

The City offers its eligible retirees and their dependents medical and prescription drug coverage through a single-employer defined benefit OPEB plan (the “Plan”) under City policy. The Plan is administered by the City, and it has the authority to establish and amend the benefit terms and financing arrangements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. The pre-65 plan is a continuation of the fully insured, active plan. The premiums do not cover the cost of the retirees on a stand-alone basis. Thus, there is an implicit subsidy which is part of the OPEB liability. The post-65 plan is a fully insured, Medicare supplement plan.

Benefits and Contributions

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

Retirees are responsible for payment of premiums for dependent coverage, and the City pays a portion of the retiree premiums based on the number of years of service with the City. The City’s contributions to the Plan for the year ended September 30, 2023 were \$366,080 while total contributions to the Plan were \$509,690, 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	58
Active employees	258
Total	316

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Valuation Date	September 30, 2022
Actuarial Cost Method	Entry Age Level
Inflation Rate	3.00%
Salary Increases	3.00%, including inflation
Discount Rate	4.40%
Mortality	General PUB-2010 Combined Table projected using MP-2021 was used with no gender roll-forwards or roll-backs.
Healthcare Cost and Trend Rates	Getzen Trend Model. Pre-65 (initial/ultimate) was 7.6%/4.4%. Post-65 (initial/ultimate) was 5.4%/4.4%.
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 4.40% 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, 2022.

Changes in the Total OPEB Liability

The City's total OPEB liability of \$22,596,329 was measured as of September 30, 2023 and was determined by an actuarial valuation as of September 30, 2022.

	Increase (Decrease)
	Total OPEB Liability
Changes for the year:	
Service cost	\$ 1,468,637
Interest	963,076
Benefit payments	(509,690)
	<hr/>
Net Changes	1,922,023
Balance at September 30, 2022	20,674,306
	<hr/>
Balance at September 30, 2023	\$ 22,596,329

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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 (4.40%) in measuring the total OPEB liability:

	1% Decrease (3.40%)	Discount Rate (4.40%)	1% Increase (5.40%)
City's Total OPEB Liability	\$ 27,599,712	\$ 22,596,329	\$ 18,722,129

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the healthcare cost trend rate used was 1% less than and 1% greater than what was used in measuring the total OPEB liability:

	1% Decrease	Current Healthcare Costs Trend Rate Assumption	1% Increase
City's Total OPEB Liability	\$ 18,194,132	\$ 22,596,329	\$ 28,554,356

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$2,516,231. At September 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,888,437
Changes in actuarial assumptions	-	3,012,076
Total	\$ -	\$ 4,900,513

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

Fiscal Year Ended September 30	OPEB Expense
2024	\$ (1,225,129)
2025	(1,225,128)
2026	(1,225,128)
2027	(1,225,128)
Total	\$ (4,900,513)

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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 full-time 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

Walsh Road Industrial Park Development Agreement

In 2013, the RDC entered a Development Agreement (the “Agreement”) with Walsh Road Industrial Park, Ltd. (the “Developer”) for development of the Walsh Road Industrial Park (the “Park”), an industrial and distribution business park. The RDC agrees to reimburse Developer for the cost of design and construction of water distribution and sanitary sewer, not including any private internal facilities, in an amount not to exceed \$300,000. Within ten years from the January 1 following reimbursement (made on February 16, 2015), Developer shall cause improvements to be constructed totaling \$10,000,000 in taxable value. Improvements shall consist of buildings and associated structures, infrastructure, and plant equipment intended to create and maintain a minimum of five primary jobs. The ten-year development window will expire on January 1, 2026.

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 2023, the RDC paid \$300,000 for year 8 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

Village Crossing, LLC, Performance Agreement

In 2017, the RDC entered into a performance agreement (the “Agreement”) with Village Crossing, LLC (the “Developer”), for a commercial mixed-use development known as Village Crossing (the “Property”). The RDC agrees to fund, design, and construct certain public improvements to include the extension of Airport Avenue from FM 2218 to Interstate 69, and the related 12-inch water line, 10-inch sanitary sewer line, and storm sewer facilities, excluding any detention ponds, to serve Village Crossing at ultimate build-out at a cost not to exceed \$3,173,050. The RDC requires that certain conditions to construction are met in advance, which includes dedication of the necessary right-of-way, obtaining an access permit from TxDOT, recordation of deed restrictions to disallow certain uses, and recordation of a plat to reflect street right-of-way and needed easements. The Developer agrees to design and construct all other water, sanitary sewer, and storm sewer/drainage facilities to serve the Property (the “Utilities”), and to meet certain performance criteria. Specifically, the Developer must adhere to an RDC-approved site plan and any future amendments for the development. The Developer must complete construction of the Utilities within one year of commencement of construction by the RDC. The Developer must diligently prosecute the completion and opening of at least 50,000 square feet of commercial improvements within fifty months of the completion of Infrastructure (by January 31, 2026). The Developer must provide satisfactory proof that a minimum of \$5,000,000 of taxable value, real property improvements have been constructed

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

within sixty months of the completion of Infrastructure (not later than November 30, 2026), and a minimum of \$10,000,000 in taxable value, real property improvements within seventy-eight months (not later than May 31, 2028). In the event of default by Developer, Developer will reimburse the RDC for 50% of the RDC's maximum contribution plus interest and attorney fees incurred to collect the recapture payment. The RDC satisfied its construction obligation completely on November 30, 2021.

Rosenberg Business Park Ltd. Development Agreement

The RDC and the City entered into a development agreement (the "Agreement") with Rosenberg Business Park Ltd. (the "Developer") for the development of the Rosenberg Business Park (the "Park"). The City agreed to fund, design, and construct certain public improvements including drainage, utilities, and roads to encourage and promote the development of an industrial distribution business park. The Developer has agreed to construct a building with a minimum of 25,000 square feet, assure the creation of at least five new jobs, convey certain property/assets to the City, and promote the Park. Phase I Improvements were completed in fiscal year 2018 at a cost of \$3,610,936. The Agreement includes obligations to fund future projects known as Phase II Future Improvements. This obligation is contingent on (i) the Developer selling or entering into a long-term lease with an end user/builder of at least 50% of the property served in Phase I Improvements or (ii) the Developer selling or entering into a long-term lease with an end user/builder for at least 50% of the property which requires Phase II Future Improvements. If the Developer does not meet the property sales threshold within 10 years of the completion of the construction of Phase I Improvements, the City will have the right to terminate the Agreement and have no further obligation to construct the future improvements. The RDC and City are committed to each fund 50% of the total infrastructure costs for Phase II of the Park infrastructure. Phase II improvements were completed in fiscal year 2023 at a cost of \$843,264 for each entity.

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, incrementally payable upon the initial commencement date of operations (August 20, 2020), followed by annual installments of \$250,000 on the first, second, and third anniversary of the commencement date, and a final payment of \$75,000 on the fourth anniversary. In fiscal year 2023, the RDC paid \$250,000 for the commencement incentive grant for the third anniversary.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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. In fiscal year 2023, the RDC made the first payment installment of \$287,500 following approval and acceptance of the improvements by the City.

G. Tax Abatement Incentives

Chapter 312 Property Tax Abatement Agreements

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.

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

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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.

Seatex, LLC

The City has created Reinvestment Zone No. 21 (the “Zone”) in accordance with Texas Tax Code, Chapter 312. The City entered into a Tax Abatement Agreement (the “Agreement”) with Seatex, LLC (the “Company”) in accordance with Chapter 312 of the Texas Tax Code. The Company’s property, which is located in the Zone, is subject to a tax abatement under this Agreement. The tax abatement shall be applied to the extent to which the certified appraised value of the improvements and eligible tangible personal property for each applicable tax year exceeds the certified appraised value of the improvements and eligible tangible personal property for the year in which this Agreement is executed, which is \$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. For fiscal year 2023, the City did not recognize any rebates.

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”), later amended in fiscal year 2022 to remove ineligible inventory values, 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 amended Agreement is executed, which is \$6,591,387. To qualify for the property tax abatement, the certified appraised value for the applicable effective tax year must be at least \$9,591,387. 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. For fiscal year 2023, the City did not recognize any rebates.

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”), later amended in fiscal year 2022, 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

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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. For fiscal year 2023, the City did not recognize any rebates.

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 maintain at least three full-time employees. The Company shall receive a property tax abatement on both the improvements and eligible 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. For fiscal year 2023, the City did not recognize any rebates.

Biotics Research Corporation

The City has created Reinvestment Zone No. 27 (the “Zone”) in accordance with Texas Tax Code Chapter 312. The City has entered into a Tax Abatement Agreement (the “Agreement”) with Biotics Research Corporation (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 property for each applicable tax year exceeds the certified appraised value of the improvements and eligible tangible property for the year this Agreement is executed. The Company agrees to construct 80,000 square feet of headquarters, office, warehousing, and distribution space on or before December 31, 2022, with a minimum certified appraised value of \$8 million. The Company shall maintain 155 full-time employees, increasing by 5 full-time employee positions per year for each year of the Agreement. The term of the Agreement extends through December 31, 2027. In the event of default by the Company, the applicable amount of property taxes abated during the Agreement must be repaid including interest and penalties. For fiscal year 2023, the City did not recognize any rebates.

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

The summary of the percentage abatements for the effective tax year by company based on the Chapter 312 agreements is as follows:

	Aldi LLC	Dollar Tree	Seatex, LLC	OCuSOFT	Wet Sounds, Inc.	Sako Properties, LP	Biotics Research Corporation
Duration of Agreement (Tax Years)	2017-2026	2021-2030	2020-2024	2020-2026	2022-2031	2022-2026	2023-2027
% Abated Year One	70%	75%	50%	70%	50%	25%	75%
% Abated Year Two	70%	75%	50%	70%	50%	25%	50%
% Abated Year Three	70%	75%	50%	70%	50%	25%	50%
% Abated Year Four	55%	75%	50%	70%	50%	25%	25%
% Abated Year Five	55%	75%	50%	70%	50%	25%	25%
% Abated Year Six	55%	75%	N/A	70%	50%	N/A	N/A
% Abated Year Seven	55%	75%	N/A	70%	50%	N/A	N/A
% Abated Years Eight through Ten	55%	75%	N/A	N/A	50%	N/A	N/A

Chapter 380 Sales Tax Abatement Agreement

The City and the RDC entered into an agreement (the “Agreement”) with BMC Texas Sales, LLC, which changed its name in 2022 to Builders’ FirstSource (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, 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 2023, the City rebated \$3,772,487 and the RDC rebated \$1,886,243 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%

H. Subsequent Events

On November 7, 2023, the citizens of Rosenberg voted to approve two (2) bond propositions totaling \$51,500,000. On February 20, 2024, the City issued \$46,640,000 of General Obligation Bonds, Series 2024. The net proceeds of \$51,500,000 (after issuance costs, discounts and premiums) from this issuance will be used for (i) constructing, acquiring, improving, renovating, expanding, developing and equipping an emergency services complex, (ii) constructing, acquiring, improving, renovating, expanding, developing and equipping a public services complex; and (iii) professional services

CITY OF ROSENBERG, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

rendered in connection with the issuance of the bonds and the financing of the above listed projects. The interest rate on the bonds is 5%, and the bonds will mature on March 1, 2045, with an optional redemption date of March 1, 2033.

On November 14, 2023, the Rosenberg City Council approved Resolution No. R-3559 calling for the defeasance and redemption of Combination Tax and Revenue Certificates of Obligation, Series 2014A in the total principal amount of \$1,735,000. On February 28, 2024, the City redeemed and paid the full balance of \$1,735,000 in addition to the regularly scheduled principal and interest payment.

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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, 2023

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Property taxes	\$ 6,860,000	\$ 6,860,000	\$ 6,506,858	\$ (353,142)
Sales taxes	19,590,000	19,725,333	19,853,684	128,351
Franchise fees	2,160,000	2,250,000	2,150,596	(99,404)
Licenses and permits	1,024,450	1,024,450	969,545	(54,905)
Fines and forfeitures	664,900	664,900	904,099	239,199
Charges for services	1,461,874	1,461,874	2,444,345	982,471
Intergovernmental	44,300	44,300	125,131	80,831
Investment revenue	50,000	50,000	1,011,398	961,398
Lease revenue	16,848	16,848	16,848	-
Other revenue	290,927	290,927	539,295	248,368
Total Revenues	<u>32,163,299</u>	<u>32,388,632</u>	<u>34,521,799</u>	<u>2,133,167</u>
Expenditures				
General government:				
Mayor and City Council	76,427	76,427	52,009	24,418
City manager	1,013,944	1,051,694	1,045,100	6,594
City secretary	372,803	372,803	322,226	50,577
Finance	928,668	928,668	876,617	52,051
Human resources	406,101	400,101	372,986	27,115
Legal	300,000	300,000	259,002	40,998
City prosecutor	76,000	76,000	74,368	1,632
Municipal court	569,733	569,816	541,636	28,180
Technology	636,144	561,144	545,107	16,037
Communications	292,789	292,789	282,912	9,877
Nondepartmental	1,510,259	1,605,014	1,587,378	17,636
Total general government	<u>6,182,868</u>	<u>6,234,456</u>	<u>5,959,341</u>	<u>275,115</u>
Public safety:				
Police and emergency management	12,307,919	11,807,919	11,713,722	94,197
Fire and fire marshal	5,955,758	5,619,281	5,530,598	88,683
Animal control	546,311	676,311	655,418	20,893
Total public safety	<u>18,809,988</u>	<u>18,103,511</u>	<u>17,899,738</u>	<u>203,773</u>
Public works:				
Streets and drainage	3,034,315	3,083,390	2,950,709	132,681
Street lighting and signals	483,100	483,100	436,661	46,439
Building maintenance	259,968	256,968	254,753	2,215
City engineering	859,736	1,399,736	1,369,633	30,103
Fleet maintenance	482,437	485,437	483,761	1,676
Total public works	<u>5,119,556</u>	<u>5,708,631</u>	<u>5,495,517</u>	<u>213,114</u>

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, 2023

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Expenditures (Continued)</u>				
Community development:				
Planning	\$ 587,709	\$ 442,709	\$ 406,059	\$ 36,650
Parks and recreation	1,049,725	1,084,725	1,067,266	17,459
Special event	206,199	251,199	250,049	1,150
Code enforcement	1,175,807	935,807	933,835	1,972
Public health	195,141	195,141	123,868	71,273
Total community development	<u>3,214,581</u>	<u>2,909,581</u>	<u>2,781,077</u>	<u>128,504</u>
Total Expenditures	<u>33,326,993</u>	<u>32,956,179</u>	<u>32,135,673</u>	<u>820,506</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,163,694)</u>	<u>(567,547)</u>	<u>2,386,126</u>	<u>2,953,673</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	3,144,441	3,144,440	3,144,440	-
Transfers (out)	<u>(1,755,422)</u>	<u>(6,293,922)</u>	<u>(6,293,922)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,389,019</u>	<u>(3,149,482)</u>	<u>(3,149,482)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 225,325</u>	<u>\$ (3,717,029)</u>	<u>(763,356)</u>	<u>\$ 2,953,673</u>
Beginning fund balance			<u>20,998,016</u>	
Ending Fund Balance			<u>\$ 20,234,660</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 FUND

For the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 5,172,500	\$ 5,274,500	\$ 5,230,791	\$ (43,709)
Investment revenue	5,000	5,000	353,230	348,230
Total Revenues	5,177,500	5,279,500	5,584,021	304,521
Expenditures				
Current:				
Community development	-	60,783	700	60,083
Capital outlay	5,172,500	10,678,840	3,249,143	7,429,697
Total Expenditures	5,172,500	10,739,623	3,249,843	7,489,780
Net Change in Fund Balance	\$ 5,000	\$ (5,460,123)	2,334,178	\$ 7,794,301
Beginning fund balance			5,498,627	
Ending Fund Balance			\$ 7,832,805	

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 (TMRS)
For the Year Ended September 30, 2023

	Measurement Year*			
	2022	2021	2020	2019
Total Pension Liability				
Service cost	\$ 3,182,649	\$ 3,021,004	\$ 3,050,355	\$ 2,873,947
Interest (on the total pension liability)	6,393,119	5,998,105	5,648,609	5,229,709
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	1,190,827	308,872	(347,902)	660,421
Change in assumptions	-	-	-	411,125
Benefit payments, including refunds of employee contributions	(3,782,640)	(3,330,847)	(2,986,505)	(3,128,444)
Net Change in Total Pension Liability	<u>6,983,955</u>	<u>5,997,134</u>	<u>5,364,557</u>	<u>6,046,758</u>
Beginning total pension liability	95,012,866	89,015,732	83,651,175	77,604,417
Ending Total Pension Liability	<u><u>\$ 101,996,821</u></u>	<u><u>\$ 95,012,866</u></u>	<u><u>\$ 89,015,732</u></u>	<u><u>\$ 83,651,175</u></u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 2,997,541	\$ 2,929,292	\$ 2,958,350	\$ 2,798,557
Contributions - employee	1,322,169	1,258,752	1,279,088	1,198,191
Net investment income	(6,300,312)	9,858,238	5,247,667	9,146,607
Benefit payments, including refunds of employee contributions	(3,782,640)	(3,330,847)	(2,986,505)	(3,128,444)
Administrative expense	(54,473)	(45,581)	(33,941)	(51,663)
Other	65,002	312	(1,325)	(1,552)
Net Change in Plan Fiduciary Net Position	<u>(5,752,713)</u>	<u>10,670,166</u>	<u>6,463,334</u>	<u>9,961,696</u>
Beginning plan fiduciary net position	86,236,701	75,566,535	69,103,201	59,141,505
Ending Plan Fiduciary Net Position	<u><u>\$ 80,483,988</u></u>	<u><u>\$ 86,236,701</u></u>	<u><u>\$ 75,566,535</u></u>	<u><u>\$ 69,103,201</u></u>
Net Pension Liability	<u><u>\$ 21,512,833</u></u>	<u><u>\$ 8,776,165</u></u>	<u><u>\$ 13,449,197</u></u>	<u><u>\$ 14,547,974</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	78.91%	90.76%	84.89%	82.61%
Covered Payroll	\$ 18,888,124	\$ 17,982,169	\$ 18,200,209	\$ 17,117,016
Net Pension Liability as a Percentage of Covered Payroll	113.90%	48.80%	73.90%	84.99%

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

Measurement Year*

	2018	2017	2016	2015	2014
\$	2,657,523	\$ 2,139,697	\$ 2,034,621	\$ 1,995,907	\$ 1,665,767
	4,973,547	4,383,721	4,180,290	4,076,807	3,869,483
	4,750,555	-	-	-	-
	(774,670)	69,996	(518,072)	289,636	(551,553)
	-	-	-	(25,808)	-
	(3,210,794)	(2,518,656)	(2,952,510)	(2,379,033)	(1,994,965)
	8,396,161	4,074,758	2,744,329	3,957,509	2,988,732
	69,208,256	65,133,498	62,389,169	58,431,660	55,442,928
\$	<u>77,604,417</u>	<u>\$ 69,208,256</u>	<u>\$ 65,133,498</u>	<u>\$ 62,389,169</u>	<u>\$ 58,431,660</u>
\$	2,200,858	\$ 1,966,261	\$ 1,928,740	\$ 1,986,101	\$ 1,843,970
	987,784	898,292	858,490	840,382	743,396
	(1,828,615)	7,392,526	3,389,430	73,296	2,657,661
	(3,210,794)	(2,518,656)	(2,952,510)	(2,379,033)	(1,994,965)
	(35,332)	(38,306)	(38,275)	(8,645)	(27,745)
	(1,847)	(1,940)	(2,062)	(2,205)	(2,281)
	(1,887,946)	7,698,177	3,183,813	509,896	3,220,036
	61,029,451	53,331,274	50,147,461	49,637,565	46,417,529
\$	<u>59,141,505</u>	<u>\$ 61,029,451</u>	<u>\$ 53,331,274</u>	<u>\$ 50,147,461</u>	<u>\$ 49,637,565</u>
\$	<u>18,462,912</u>	<u>\$ 8,178,805</u>	<u>\$ 11,802,224</u>	<u>\$ 12,241,708</u>	<u>\$ 8,794,095</u>
	76.21%	88.18%	81.88%	80.38%	84.95%
\$	15,724,990	\$ 14,942,016	\$ 14,308,168	\$ 14,006,366	\$ 12,383,933
	117.41%	54.74%	82.49%	87.40%	71.01%

CITY OF ROSENBERG, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the Year Ended September 30, 2023

	Fiscal Year*			
	2023	2022	2021	2020
Actuarially determined contribution	\$ 3,200,463	\$ 3,077,300	\$ 2,954,461	\$ 2,931,829
Contributions in relation to the actuarially determined contribution	3,200,463	3,077,300	2,954,461	2,931,829
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 19,993,703	\$ 19,255,612	\$ 18,169,136	\$ 18,058,713
Contributions as a percentage of covered payroll	16.01%	15.98%	16.26%	16.23%

*Only nine years of information is currently available. The City will build this schedule over the next one-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	23 years (longest amortization ladder)
Asset valuation method	10 year smoothed market; 12.00% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% 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 December 31, 2014 - December 31, 2018.

Mortality

Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

3. Other Information:

There were no benefit changes during the year.

Fiscal Year*				
2019	2018	2017	2016	2015
\$ 2,697,550	\$ 2,022,036	\$ 1,950,736	\$ 1,941,325	\$ 1,909,555
<u>2,697,550</u>	<u>2,022,036</u>	<u>1,950,736</u>	<u>1,941,325</u>	<u>1,909,555</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,468,984	\$ 15,482,968	\$ 14,742,619	\$ 14,230,199	\$ 13,181,944
16.38%	13.06%	13.23%	13.64%	14.49%

CITY OF ROSENBERG, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFITS

For the Year Ended September 30, 2023

	Measurement Year*			
	2022	2021	2020	2019
Total OPEB Liability				
Service cost	\$ 43,443	\$ 39,561	\$ 38,220	\$ 23,964
Interest (on the total pension liability)	19,037	18,845	21,651	22,754
Difference between expected and actual experience	14,079	7,585	(33,556)	(13,902)
Change in assumptions	(399,607)	35,509	136,081	139,338
Benefit payments**	(11,333)	(10,789)	(5,460)	(5,135)
Net Change in Total OPEB Liability	(334,381)	90,711	156,936	167,019
Beginning total OPEB liability	1,018,572	927,861	770,925	603,906
Ending Total OPEB Liability	<u>\$ 684,191</u>	<u>\$ 1,018,572</u>	<u>\$ 927,861</u>	<u>\$ 770,925</u>
Covered-Employee Payroll	\$ 18,888,124	\$ 17,982,169	\$ 18,220,209	\$ 17,117,016
Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.62%	5.66%	5.09%	4.50%

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate*	4.05%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% 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, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

There were no benefit changes during the year.

Measurement Year*	
2018	2017
\$ 25,160	\$ 20,919
21,211	20,658
(18,007)	-
(50,334)	55,204
(4,717)	(4,483)
(26,687)	92,298
630,593	538,295
\$ 603,906	\$ 630,593
\$ 15,724,990	\$ 14,942,016
3.84%	4.22%

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, 2023

	Measurement Year*			
	2022	2021	2020	2019
Total OPEB Liability				
Service cost	\$ 1,468,637	\$ 1,858,368	\$ 1,814,635	\$ 1,014,357
Interest (on the total pension liability)	963,076	1,198,861	610,267	502,506
Difference between expected and actual experience	-	(2,832,656)	-	(788,197)
Change in assumptions	-	(4,518,114)	-	6,026,783
Benefit payments	(509,690)	(691,133)	(547,166)	(500,532)
Net Change in Total OPEB Liability	1,922,022	(4,984,674)	1,877,736	6,254,917
Beginning total OPEB liability	20,674,306	25,658,980	23,781,244	17,526,327
Ending Total OPEB Liability	\$ 22,596,328	\$ 20,674,306	\$ 25,658,980	\$ 23,781,244
Covered-Employee Payroll	\$ 19,507,644	\$ 19,475,766	\$ 18,908,510	\$ 18,357,777
Total OPEB Liability as a Percentage of Covered-Employee Payroll	115.80%	106.20%	135.70%	129.50%

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

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Valuation Date	September 30, 2022
Actuarial cost method	Entry age normal
Inflation	3.0%
Salary increases	3.5% including inflation
Discount rate	4.4%
Mortality	General RP-2014 Combined Table projected using MP-2021 was used with no gender roll-forwards or roll-backs.
Healthcare Cost and Trend Rates	Getzen Trend Model. Pre-65 (initial/ultimate) was 7.6%/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, 2022.

There were no benefit changes during the year.

Measurement Year*	
2018	2017
\$ 976,940	\$ 1,035,876
655,729	595,478
-	-
-	(984,270)
(500,532)	(461,319)
1,132,137	185,765
16,394,190	16,208,425
\$ 17,526,327	\$ 16,394,190
\$ 16,804,153	\$ 21,716,538
104.30%	75.49%

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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, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property taxes	\$ 6,688,451	\$ 6,688,451	\$ 6,257,405	\$ (431,046)
Intergovernmental	190,098	190,098	190,097	(1)
Investment revenue	3,000	3,000	262,103	259,103
Total Revenues	6,881,549	6,881,549	6,709,605	(171,944)
<u>Expenditures</u>				
Debt service:				
Principal	5,375,000	5,375,000	5,375,000	-
Interest and fiscal agent fees	1,290,404	1,291,023	1,213,957	77,066
Total Expenditures	6,665,404	6,666,023	6,588,957	77,066
Net Change in Fund Balance	\$ 216,145	\$ 215,526	120,648	\$ (94,878)
Beginning fund balance			4,882,720	
Ending Fund Balance			\$ 5,003,368	

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 (CDBG) Fund proceeds are received as a pass-through grant from the State through Fort Bend County. For the past several years, the City 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. These funds can be used to fund a juvenile case manager.

Municipal Court Child Safety Fund

The Municipal Court 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. These funds 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 Municipal Court 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. These funds 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 (MUD) 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 Federal 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 Cable PEG Fees 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 pursuant to the State cable franchise effective January 1, 2012. These funds are restricted to fund capital expenditures associated with the City's municipal cable channel and programming.

CDBG-Mitigation 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 Fund

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 Fund

These funds are used to account for the various County Mobility Projects for Benton Road and Koeblen Road projects.

2014 General Obligation Fund

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

2017 Certificates of Obligation Fund

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.

Capacity Funds

These funds are used to account for restricted development fees that are used for projects related to detention capacity improvements.

CITY OF ROSENBERG, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 3)
September 30, 2023

Special Revenue Funds

	Hotel and Motel Occupancy Tax	Municipal Court Technology	Beautification	Law Enforcement
Assets				
Cash and cash equivalents	\$ 731,910	\$ 14,354	\$ 214,106	\$ 530,898
Receivables, net	55,738	-	-	-
Prepaid items	4,233	-	-	-
Total Assets	\$ 791,881	\$ 14,354	\$ 214,106	\$ 530,898
Liabilities				
Accounts payable and accrued liabilities	\$ 27,744	\$ -	\$ 115	\$ 1,431
Total Liabilities	27,744	-	115	1,431
Fund Balances				
Nonspendable:				
Prepays	4,233	-	-	-
Restricted for:				
Public safety	-	14,354	-	529,467
Parks	-	-	213,991	-
Tourism	759,904	-	-	-
Governmental programming	-	-	-	-
Capital projects	-	-	-	-
Committed for:				
Capital projects	-	-	-	-
Total Fund Balances	764,137	14,354	213,991	529,467
Total Liabilities and Fund Balances	\$ 791,881	\$ 14,354	\$ 214,106	\$ 530,898

Special Revenue Funds

Community Development Block Grant	Police Asset Forfeiture	Park Land Dedication	Juvenile Case Manager	Municipal Court Child Safety	Municipal Court Building Security
\$ 303,846	\$ 45,379	\$ 1,748,723	\$ 127,094	\$ 207,887	\$ 59,159
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 303,846</u>	<u>\$ 45,379</u>	<u>\$ 1,748,723</u>	<u>\$ 127,094</u>	<u>\$ 207,887</u>	<u>\$ 59,159</u>
<u>\$ -</u>	<u>\$ 10,820</u>	<u>\$ -</u>	<u>\$ 79</u>	<u>\$ 6,483</u>	<u>\$ -</u>
<u>-</u>	<u>10,820</u>	<u>-</u>	<u>79</u>	<u>6,483</u>	<u>-</u>
-	-	-	-	-	-
-	34,559	-	127,015	201,404	59,159
-	-	1,748,723	-	-	-
-	-	-	-	-	-
303,846	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>303,846</u>	<u>34,559</u>	<u>1,748,723</u>	<u>127,015</u>	<u>201,404</u>	<u>59,159</u>
<u>\$ 303,846</u>	<u>\$ 45,379</u>	<u>\$ 1,748,723</u>	<u>\$ 127,094</u>	<u>\$ 207,887</u>	<u>\$ 59,159</u>

CITY OF ROSENBERG, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 3)
September 30, 2023

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>
Assets				
Cash and cash equivalents	\$ 710,870	\$ 229,148	\$ 139,857	\$ 335,630
Receivables, net	-	-	-	8,353
Prepaid items	-	-	-	-
Total Assets	<u>\$ 710,870</u>	<u>\$ 229,148</u>	<u>\$ 139,857</u>	<u>\$ 343,983</u>
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 58,922	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>58,922</u>	<u>-</u>
Fund Balances				
Nonspendable:				
Prepays	-	-	-	-
Restricted for:				
Public safety	710,870	229,148	80,935	-
Parks	-	-	-	-
Tourism	-	-	-	-
Governmental programming	-	-	-	-
Capital projects	-	-	-	343,983
Committed for:				
Capital projects	-	-	-	-
Total Fund Balances	<u>710,870</u>	<u>229,148</u>	<u>80,935</u>	<u>343,983</u>
Total Liabilities and Fund Balances	<u>\$ 710,870</u>	<u>\$ 229,148</u>	<u>\$ 139,857</u>	<u>\$ 343,983</u>

Special Revenue Funds	Capital Projects Funds				
CDBG Mitigation Drainage Improvement	Operating Projects	County Mobility Project	2014 General Obligation	2017 Certificates of Obligation	Street Improvement
\$ 952,263	\$ 1,497,443	\$ 6,536,651	\$ 20,821	\$ 2,180,907	\$ 2,891,910
553,073	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,505,336</u>	<u>\$ 1,497,443</u>	<u>\$ 6,536,651</u>	<u>\$ 20,821</u>	<u>\$ 2,180,907</u>	<u>\$ 2,891,910</u>
<u>\$ 69,458</u>	<u>\$ 14,986</u>	<u>\$ -</u>	<u>\$ 20,022</u>	<u>\$ 67,002</u>	<u>\$ 476,515</u>
<u>69,458</u>	<u>14,986</u>	<u>-</u>	<u>20,022</u>	<u>67,002</u>	<u>476,515</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,435,878	-	-	-	-	-
-	-	6,536,651	799	2,113,905	-
-	1,482,457	-	-	-	2,415,395
<u>1,435,878</u>	<u>1,482,457</u>	<u>6,536,651</u>	<u>799</u>	<u>2,113,905</u>	<u>2,415,395</u>
<u>\$ 1,505,336</u>	<u>\$ 1,497,443</u>	<u>\$ 6,536,651</u>	<u>\$ 20,821</u>	<u>\$ 2,180,907</u>	<u>\$ 2,891,910</u>

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CITY OF ROSENBERG, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Page 3 of 3)
September 30, 2023

Capital Projects Funds

	<u>Capital Improvement</u>	<u>Seabourne Creek Capacity</u>	<u>Dry Creek Capacity</u>	<u>Total Nonmajor Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 9,281,501	\$ 3	\$ 2,330,043	\$ 31,090,403
Receivables, net	-	-	-	617,164
Prepaid items	-	-	-	4,233
Total Assets	<u>\$ 9,281,501</u>	<u>\$ 3</u>	<u>\$ 2,330,043</u>	<u>\$ 31,711,800</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 2,358	\$ -	\$ -	\$ 755,935
Total Liabilities	<u>2,358</u>	<u>-</u>	<u>-</u>	<u>755,935</u>
Fund Balances				
Nonspendable:				
Prepays	-	-	-	4,233
Restricted for:				
Public safety	-	-	-	1,986,911
Parks	-	-	-	1,962,714
Tourism	-	-	-	759,904
Governmental programming	-	-	-	1,739,724
Capital projects	-	3	2,330,043	11,325,384
Committed for:				
Capital projects	9,279,143	-	-	13,176,995
Total Fund Balances	<u>9,279,143</u>	<u>3</u>	<u>2,330,043</u>	<u>30,955,865</u>
Total Liabilities and Fund Balances	<u>\$ 9,281,501</u>	<u>\$ 3</u>	<u>\$ 2,330,043</u>	<u>\$ 31,711,800</u>

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, 2023

Special Revenue Funds

	<u>Hotel and Motel Occupancy Tax</u>	<u>Municipal Court Technology</u>	<u>Beautification</u>	<u>Law Enforcement</u>
Revenues				
Franchise fees	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	660,419	-	-	-
Fines and forfeitures	-	25,781	-	-
Intergovernmental	-	-	-	163,094
Investment revenue	31,686	307	9,200	24,069
Other revenue	9,510	-	12,990	-
Total Revenues	<u>701,615</u>	<u>26,088</u>	<u>22,190</u>	<u>187,163</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	17,272	-	56,076
Economic development	207,616	-	15,364	-
Capital outlay	<u>24,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>231,616</u>	<u>17,272</u>	<u>15,364</u>	<u>56,076</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>469,999</u>	<u>8,816</u>	<u>6,826</u>	<u>131,087</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	(463,124)	-	-	-
Total Other Financing Sources (Uses)	<u>(463,124)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	6,875	8,816	6,826	131,087
Beginning fund balances	<u>757,262</u>	<u>5,538</u>	<u>207,165</u>	<u>398,380</u>
Ending Fund Balances	<u>\$ 764,137</u>	<u>\$ 14,354</u>	<u>\$ 213,991</u>	<u>\$ 529,467</u>

Special Revenue Funds

Community Development Block Grant	Police Asset Forfeiture	Park Land Dedication	Juvenile Case Manager	Municipal Court Child Safety	Municipal Court Building Security
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	31,992	46,248	30,467
-	-	-	-	-	-
-	2,010	62,818	5,657	9,995	2,169
-	4,242	847,340	-	-	-
-	6,252	910,158	37,649	56,243	32,636
-	-	-	176	63,518	-
-	5,824	-	-	-	-
-	-	-	-	-	-
-	-	207,105	-	-	-
-	5,824	207,105	176	63,518	-
-	428	703,053	37,473	(7,275)	32,636
-	-	-	-	-	-
-	-	-	(41,516)	(7,800)	(10,000)
-	-	-	(41,516)	(7,800)	(10,000)
-	428	703,053	(4,043)	(15,075)	22,636
303,846	34,131	1,045,670	131,058	216,479	36,523
<u>\$ 303,846</u>	<u>\$ 34,559</u>	<u>\$ 1,748,723</u>	<u>\$ 127,015</u>	<u>\$ 201,404</u>	<u>\$ 59,159</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, 2023

Special Revenue Funds

	MUD Fire Services	Police Federal Forfeiture	Fire Station Number 3 Operating	Cable PEG Fees
Revenues				
Franchise fees	\$ -	\$ -	\$ -	\$ 38,305
Hotel occupancy tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	1,733,710	21,093	-	-
Investment revenue	27,415	10,191	7,824	13,986
Other revenue	-	-	-	-
Total Revenues	1,761,125	31,284	7,824	52,291
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	9,503	1,723,567	-
Economic development	-	-	-	-
Capital outlay	-	-	-	10,278
Total Expenditures	-	9,503	1,723,567	10,278
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,761,125	21,781	(1,715,743)	42,013
Other Financing Sources (Uses)				
Transfers in	-	-	1,724,431	-
Transfers (out)	(1,629,962)	-	-	-
Total Other Financing Sources (Uses)	(1,629,962)	-	1,724,431	-
Net Change in Fund Balances	131,163	21,781	8,688	42,013
Beginning fund balances	579,707	207,367	72,247	301,970
Ending Fund Balances	\$ 710,870	\$ 229,148	\$ 80,935	\$ 343,983

Special Revenue Funds	Capital Projects Funds				
CDBG Mitigation Drainage Improvement	Operating Projects	County Mobility Project	2014 General Obligation	2017 Certificates of Obligation	Street Improvement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,771,135	148,945	-	-	-	-
-	41,328	250,615	799	112,333	148,125
-	-	-	-	-	-
<u>1,771,135</u>	<u>190,273</u>	<u>250,615</u>	<u>799</u>	<u>112,333</u>	<u>148,125</u>
-	378,227	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,771,135	535,573	49,329	-	363,698	1,067,902
<u>1,771,135</u>	<u>913,800</u>	<u>49,329</u>	<u>-</u>	<u>363,698</u>	<u>1,067,902</u>
-	(723,527)	201,286	799	(251,365)	(919,777)
1,000,000	998,500	750,000	-	-	1,205,000
-	-	-	-	-	-
<u>1,000,000</u>	<u>998,500</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>1,205,000</u>
1,000,000	274,973	951,286	799	(251,365)	285,223
435,878	1,207,484	5,585,365	-	2,365,270	2,130,172
<u>\$ 1,435,878</u>	<u>\$ 1,482,457</u>	<u>\$ 6,536,651</u>	<u>\$ 799</u>	<u>\$ 2,113,905</u>	<u>\$ 2,415,395</u>

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CITY OF ROSENBERG, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Page 3 of 3)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

Capital Projects Funds

	<u>Capital Improvement</u>	<u>Seabourne Creek Capacity</u>	<u>Dry Creek Capacity</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues				
Franchise fees	\$ -	\$ -	\$ -	\$ 38,305
Hotel occupancy tax	-	-	-	660,419
Fines and forfeitures	-	-	-	134,488
Intergovernmental	-	-	-	3,837,977
Investment revenue	338,499	-	100,914	1,199,940
Other revenue	-	-	-	874,082
Total Revenues	<u>338,499</u>	<u>-</u>	<u>100,914</u>	<u>6,745,211</u>
Expenditures				
Current:				
General government	-	-	-	441,921
Public safety	-	-	-	1,812,242
Economic development	-	-	-	222,980
Capital outlay	<u>1,057,478</u>	<u>-</u>	<u>-</u>	<u>5,086,498</u>
Total Expenditures	<u>1,057,478</u>	<u>-</u>	<u>-</u>	<u>7,563,641</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(718,979)</u>	<u>-</u>	<u>100,914</u>	<u>(818,430)</u>
Other Financing Sources (Uses)				
Transfers in	2,185,953	-	-	7,863,884
Transfers (out)	-	-	-	(2,152,402)
Total Other Financing Sources (Uses)	<u>2,185,953</u>	<u>-</u>	<u>-</u>	<u>5,711,482</u>
Net Change in Fund Balances	1,466,974	-	100,914	4,893,052
Beginning fund balances	<u>7,812,169</u>	<u>3</u>	<u>2,229,129</u>	<u>26,062,813</u>
Ending Fund Balances	<u>\$ 9,279,143</u>	<u>\$ 3</u>	<u>\$ 2,330,043</u>	<u>\$ 30,955,865</u>

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, 2023

Hotel and Motel Occupancy Tax				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Hotel and motel taxes	\$ 550,000	\$ 550,000	\$ 660,419	\$ 110,419
Investment earnings	300	300	31,686	31,386
Other revenue	5,000	5,000	9,510	4,510
Total Revenues	555,300	555,300	701,615	146,315
Expenditures				
Current:				
Economic development	224,838	224,838	207,616	17,222
Capital outlay	24,000	24,000	24,000	-
Total Expenditures	224,838	224,838	231,616	17,222
Excess of Revenues Over Expenditures	330,462	330,462	469,999	163,537
Other Financing Sources (Uses)				
Transfers (out)	(463,124)	(463,124)	(463,124)	-
Total Other Financing (Uses)	(463,124)	(463,124)	(463,124)	-
Net Change in Fund Balance	\$ (132,662)	\$ (132,662)	6,875	\$ 163,537
Beginning fund balance			757,262	
Ending Fund Balance			\$ 764,137	

Municipal Court Technology				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 21,000	\$ 21,000	\$ 25,781	\$ 4,781
Investment earnings	10	10	307	297
Total Revenues	21,010	21,010	26,088	5,078
Expenditures				
Current:				
Public safety	25,000	25,000	17,272	7,728
Total Expenditures	25,000	25,000	17,272	7,728
Net Change in Fund Balance	\$ (3,990)	\$ (3,990)	8,816	\$ 12,806
Beginning fund balance			5,538	
Ending Fund Balance			\$ 14,354	

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, 2023

		Beautification			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues					
Investment earnings		\$ 200	\$ 200	\$ 9,200	\$ 9,000
Other revenue		10,000	10,000	12,990	2,990
	Total Revenues	10,200	10,200	22,190	11,990
Expenditures					
Current:					
Economic development		33,000	33,000	15,364	17,636
	Total Expenditures	33,000	33,000	15,364	17,636
	Net Change in Fund Balance	\$ (22,800)	\$ (22,800)	6,826	\$ 29,626
Beginning fund balance				207,165	
	Ending Fund Balance			\$ 213,991	

		Law Enforcement			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues					
Intergovernmental		\$ -	\$ -	\$ 163,094	\$ 163,094
Investment earnings		500	500	24,069	23,569
	Total Revenues	500	500	187,163	186,663
Expenditures					
Current:					
Public safety		66,000	66,000	56,076	9,924
	Total Expenditures	66,000	66,000	56,076	9,924
	Net Change in Fund Balance	\$ (65,500)	\$ (65,500)	131,087	\$ 196,587
Beginning fund balance				398,380	
	Ending Fund Balance			\$ 529,467	

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, 2023

Community Development Block Grant				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 650,000	\$ 650,000	\$ -	\$ (650,000)
Total Revenues	<u>650,000</u>	<u>650,000</u>	<u>-</u>	<u>(650,000)</u>
Expenditures				
Current:				
Economic development	700,000	2,027,446	-	2,027,446
Total Expenditures	<u>700,000</u>	<u>2,027,446</u>	<u>-</u>	<u>2,027,446</u>
Net Change in Fund Balance	<u>\$ (50,000)</u>	<u>\$ (1,377,446)</u>	<u>-</u>	<u>\$ 1,377,446</u>
Beginning fund balance			303,846	
Ending Fund Balance			<u>\$ 303,846</u>	

Police Asset Forfeiture				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ 25	\$ 25	\$ 2,010	\$ 1,985
Other revenue	-	-	4,242	4,242
Total Revenues	<u>25</u>	<u>25</u>	<u>6,252</u>	<u>6,227</u>
Expenditures				
Current:				
Public safety	10,000	10,000	5,824	4,176
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>5,824</u>	<u>4,176</u>
Net Change in Fund Balance	<u>\$ (9,975)</u>	<u>\$ (9,975)</u>	<u>428</u>	<u>\$ 10,403</u>
Beginning fund balance			34,131	
Ending Fund Balance			<u>\$ 34,559</u>	

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, 2023

Park Land Dedication				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ 350	\$ 350	\$ 62,818	\$ 62,468
Other revenues	5,000	5,000	847,340	842,340
Total Revenues	5,350	5,350	910,158	904,808
Expenditures				
Capital outlay	-	257,735	207,105	50,630
Total Expenditures	-	257,735	207,105	50,630
Net Change in Fund Balance	\$ 5,350	\$ (252,385)	703,053	\$ 955,438
Beginning fund balance			1,045,670	
Ending Fund Balance			\$ 1,748,723	

Juvenile Case Manager				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 25,500	\$ 25,500	\$ 31,992	\$ 6,492
Investment earnings	50	50	5,657	5,607
Total Revenues	25,550	25,550	37,649	12,099
Expenditures				
Current:				
General government	2,000	2,000	176	1,824
Total Expenditures	2,000	2,000	176	1,824
Excess of Revenues Over Expenditures	23,550	23,550	37,473	13,923
Other Financing Sources (Uses)				
Transfers (out)	(41,516)	(41,516)	(41,516)	-
Total Other Financing (Uses)	(41,516)	(41,516)	(41,516)	-
Net Change in Fund Balance	\$ (17,966)	\$ (17,966)	(4,043)	\$ 13,923
Beginning fund balance			131,058	
Ending Fund Balance			\$ 127,015	

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, 2023

Municipal Court Child Safety				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 41,000	\$ 41,000	\$ 46,248	\$ 5,248
Investment earnings	100	100	9,995	9,895
Total Revenues	41,100	41,100	56,243	15,143
Expenditures				
Current:				
General government	53,000	64,500	63,518	982
Total Expenditures	53,000	64,500	63,518	982
(Deficiency) of Revenues (Under) Expenditures	(11,900)	(23,400)	(7,275)	16,125
Other Financing Sources (Uses)				
Transfers (out)	(7,800)	(7,800)	(7,800)	-
Total Other Financing (Uses)	(7,800)	(7,800)	(7,800)	-
Net Change in Fund Balance	\$ (19,700)	\$ (31,200)	(15,075)	\$ 16,125
Beginning fund balance			216,479	
Ending Fund Balance			\$ 201,404	

Municipal Court Building Security				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 24,000	\$ 24,000	\$ 30,467	\$ 6,467
Investment earnings	-	-	2,169	2,169
Total Revenues	24,000	24,000	32,636	8,636
Excess of Revenues Over Expenditures	24,000	24,000	32,636	8,636
Other Financing Sources (Uses)				
Transfers (out)	(10,000)	(10,000)	(10,000)	-
Total Other Financing (Uses)	(10,000)	(10,000)	(10,000)	-
Net Change in Fund Balance	\$ 14,000	\$ 14,000	22,636	\$ 8,636
Beginning fund balance			36,523	
Ending Fund Balance			\$ 59,159	

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, 2023

MUD Fire Services				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 1,480,000	\$ 1,491,000	\$ 1,733,710	\$ 242,710
Investment earnings	250	250	27,415	27,165
Total Revenues	1,480,250	1,491,250	1,761,125	269,875
Excess of Revenues Over Expenditures				
	1,480,250	1,491,250	1,761,125	269,875
Other Financing Sources (Uses)				
Transfers (out)	(1,618,962)	(1,629,962)	(1,629,962)	-
Total Other Financing (Uses)	(1,618,962)	(1,629,962)	(1,629,962)	-
Net Change in Fund Balance	\$ (138,712)	\$ (138,712)	131,163	\$ 269,875
Beginning fund balance			579,707	
Ending Fund Balance			\$ 710,870	

Police Federal Forfeiture				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 21,093	\$ 21,093
Investment earnings	100	100	10,191	10,091
Total Revenues	100	100	31,284	31,184
Expenditures				
Current:				
Public safety	10,000	10,000	9,503	497
Total Expenditures	10,000	10,000	9,503	497
Net Change in Fund Balance	\$ (9,900)	\$ (9,900)	21,781	\$ 31,681
Beginning fund balance			207,367	
Ending Fund Balance			\$ 229,148	

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, 2023

		Fire Station #3 Operating			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues					
Investment earnings		\$ 200	\$ 200	\$ 7,824	\$ 7,624
	Total Revenues	<u>200</u>	<u>200</u>	<u>7,824</u>	<u>7,624</u>
Expenditures					
Current:					
Public safety		1,713,631	1,724,631	1,723,567	1,064
	Total Expenditures	<u>1,713,631</u>	<u>1,724,631</u>	<u>1,723,567</u>	<u>1,064</u>
	(Deficiency) of Revenues (Under) Expenditures	<u>(1,713,431)</u>	<u>(1,724,431)</u>	<u>(1,715,743)</u>	<u>8,688</u>
Other Financing Sources (Uses)					
Transfers in		1,713,431	1,724,431	1,724,431	-
	Total Other Financing Sources	<u>1,713,431</u>	<u>1,724,431</u>	<u>1,724,431</u>	<u>-</u>
	Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>8,688</u>	<u>\$ 8,688</u>
Beginning fund balance				<u>72,247</u>	
	Ending Fund Balance			<u>\$ 80,935</u>	

		Cable PEG Fees			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues					
Franchise fees		\$ 55,000	\$ 55,000	\$ 38,305	\$ (16,695)
Investment earnings		175	175	13,986	13,811
	Total Revenues	<u>55,175</u>	<u>55,175</u>	<u>52,291</u>	<u>(2,884)</u>
Expenditures					
Capital outlay		75,000	75,000	10,278	64,722
	Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>10,278</u>	<u>64,722</u>
	Net Change in Fund Balance	<u>\$ (19,825)</u>	<u>\$ (19,825)</u>	<u>42,013</u>	<u>\$ 61,838</u>
Beginning fund balance				<u>301,970</u>	
	Ending Fund Balance			<u>\$ 343,983</u>	

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, 2023

		CDBG Mitigation Drainage Improvement			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues					
Intergovernmental		\$ -	\$ 1,771,135	\$ 1,771,135	\$ -
Total Revenues		-	1,771,135	1,771,135	-
Expenditures					
Capital outlay		-	1,771,135	1,771,135	-
Total Expenditures		-	1,771,135	1,771,135	-
Excess of Revenues Over Expenditures		-	-	-	-
Other Financing Sources (Uses)					
Transfers in		-	1,000,000	1,000,000	-
Total Other Financing Sources		-	1,000,000	1,000,000	-
Net Change in Fund Balance		\$ -	\$ 1,000,000	1,000,000	\$ -
Beginning fund balance				435,878	
Ending Fund Balance				\$ 1,435,878	

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, 2023

	<u>Health Insurance</u>	<u>Fleet Replacement</u>	<u>Information Services</u>	<u>Total Internal Service Funds</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 736,613	\$ 6,637,504	\$ 463,820	\$ 7,837,937
Prepaid expense	-	-	2,730	2,730
Total Current Assets	<u>736,613</u>	<u>6,637,504</u>	<u>466,550</u>	<u>7,840,667</u>
Noncurrent assets				
Capital assets:				
Machinery and equipment	-	6,400,095	361,466	6,761,561
Less accumulated depreciation	-	(3,521,734)	(334,367)	(3,856,101)
Right-to-use assets, net of amortization	-	-	87,053	87,053
Subscription assets, net of amortization	-	-	235,168	235,168
Total Capital Assets (Net)	<u>-</u>	<u>2,878,361</u>	<u>349,320</u>	<u>3,227,681</u>
Total Noncurrent Assets	<u>-</u>	<u>2,878,361</u>	<u>349,320</u>	<u>3,227,681</u>
Total Assets	<u>736,613</u>	<u>9,515,865</u>	<u>815,870</u>	<u>11,068,348</u>
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	29,886	77,458	33,557	140,901
Leases payable - current	-	-	57,739	57,739
Subscription liability - current	-	-	54,015	54,015
Total Current Liabilities	<u>29,886</u>	<u>77,458</u>	<u>145,311</u>	<u>252,655</u>
Noncurrent liabilities				
Leases payable - noncurrent	-	-	28,973	28,973
Subscription liability - noncurrent	-	-	187,083	187,083
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>216,056</u>	<u>216,056</u>
Total Liabilities	<u>29,886</u>	<u>77,458</u>	<u>361,367</u>	<u>468,711</u>
Net Position				
Net investment in capital assets	-	2,878,361	21,510	2,899,871
Unrestricted net position	706,727	6,560,046	432,993	7,699,766
Total Net Position	<u>\$ 706,727</u>	<u>\$ 9,438,407</u>	<u>\$ 454,503</u>	<u>\$ 10,599,637</u>

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

For the Year Ended September 30, 2023

	<u>Health Insurance</u>	<u>Fleet Replacement</u>	<u>Information Services</u>	<u>Total Internal Service Funds</u>
<u>Operating Revenues</u>				
Other revenue	\$ 3,688,759	\$ 806,763	\$ 1,197,000	\$ 5,692,522
Total Operating Revenues	<u>3,688,759</u>	<u>806,763</u>	<u>1,197,000</u>	<u>5,692,522</u>
<u>Operating Expenses</u>				
Repairs and maintenance	3,724,464	7,115	988,611	4,720,190
Depreciation and amortization	-	345,145	128,973	474,118
Total Operating Expenses	<u>3,724,464</u>	<u>352,260</u>	<u>1,117,584</u>	<u>5,194,308</u>
Operating Income (Loss)	<u>(35,705)</u>	<u>454,503</u>	<u>79,416</u>	<u>498,214</u>
<u>Nonoperating Revenues (Expenses)</u>				
Investment revenue	7,791	283,335	13,422	304,548
Interest expense and fiscal charges	-	-	(560)	(560)
Total Nonoperating Revenues	<u>7,791</u>	<u>283,335</u>	<u>12,862</u>	<u>303,988</u>
Change in Net Position	<u>(27,914)</u>	<u>737,838</u>	<u>92,278</u>	<u>802,202</u>
Beginning net position	<u>734,641</u>	<u>8,700,569</u>	<u>362,225</u>	<u>9,797,435</u>
Ending Net Position	<u>\$ 706,727</u>	<u>\$ 9,438,407</u>	<u>\$ 454,503</u>	<u>\$ 10,599,637</u>

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CITY OF ROSENBERG, TEXAS

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the Year Ended September 30, 2023

	Health Insurance	Fleet Replacement	Information Services	Total Internal Service Funds
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ 3,689,489	\$ 806,763	\$ 1,261,004	\$ 5,757,256
Payments to suppliers	(3,694,578)	(7,115)	(967,549)	(4,669,242)
Net Cash Provided (Used) By Operating Activities	(5,089)	799,648	293,455	1,088,014
<u>Cash Flows from Capital and Related Financing Activities</u>				
Purchase of equipment	-	(506,681)	(5,527)	(512,208)
Interest and fiscal charges	-	-	(560)	(560)
Principal paid on capital debt	-	-	(104,519)	(104,519)
Net Cash (Used) by Capital and Related Financing Activities	-	(506,681)	(110,606)	(617,287)
<u>Cash Flows from Investing Activities</u>				
Interest on investments	7,791	283,335	13,422	304,548
Net Cash Provided by Investing Activities	7,791	283,335	13,422	304,548
Net Increase in Cash and Cash Equivalents	2,702	576,302	196,271	775,275
Cash and cash equivalents, beginning of year	733,911	6,061,202	267,549	7,062,662
Ending Cash and Cash Equivalents	\$ 736,613	\$ 6,637,504	\$ 463,820	\$ 7,837,937
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (35,705)	\$ 454,503	\$ 79,416	\$ 498,214
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	-	345,145	128,973	474,118
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in Current Assets:				
Prepaid items	730	-	64,004	64,734
Increase (Decrease) in Current Liabilities:				
Accounts payable and accrued liabilities	29,886	-	21,062	50,948
Net Cash Provided (Used) by Operating Activities	\$ (5,089)	\$ 799,648	\$ 293,455	\$ 1,088,014

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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.

Contents	Page
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Financial Trends	142
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These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity	152
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These schedules contain information to help the reader assess the government's most significant local revenue sources, sales and property tax.

Debt Capacity	166
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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.

Demographic and Economic Information	179
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information	184
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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.

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			
	2014	2015	2016	2017
Governmental Activities				
Net investment in capital assets	\$ 39,982,793	\$ 45,031,276	\$ 44,536,858	\$ 39,787,127
Restricted	14,669,152	11,657,814	13,429,994	17,217,918
Unrestricted	15,078,116	10,601,523	9,022,275	10,315,556
Total Governmental Activities Net Position	\$ 69,730,061	\$ 67,290,613	\$ 66,989,127	\$ 67,320,601
 Business-Type Activities				
Net investment in capital assets	\$ 44,504,314	\$ 50,564,934	\$ 56,850,394	\$ 64,082,657
Unrestricted	16,455,829	18,695,727	18,458,460	19,188,387
Total Business-Type Activities Net Position	\$ 60,960,143	\$ 69,260,661	\$ 75,308,854	\$ 83,271,044
 Primary Government				
Net investment in capital assets	\$ 84,487,107	\$ 95,596,210	\$ 101,387,252	\$ 103,869,784
Restricted	14,669,152	11,657,814	13,429,994	17,217,918
Unrestricted	31,533,945	29,297,250	27,480,735	29,503,943
Total Primary Government Net Position	\$ 130,690,204	\$ 136,551,274	\$ 142,297,981	\$ 150,591,645

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 reclassification was also made for restricted capital project fund balance that was rolling into unrestricted net position at the government-wide level.

Fiscal Year					
2018*	2019**	2020	2021	2022	2023
\$ 40,381,422	\$ 50,383,520	\$ 54,626,678	\$ 68,230,471	\$ 74,480,486	\$ 83,929,892
21,514,250	23,769,902	20,375,159	19,353,646	22,977,203	28,965,294
6,875,808	(3,291,936)	(2,925,417)	(2,190,405)	6,261,671	3,757,878
<u>\$ 68,771,480</u>	<u>\$ 70,861,486</u>	<u>\$ 72,076,420</u>	<u>\$ 85,393,712</u>	<u>\$ 103,719,360</u>	<u>\$ 116,653,064</u>
\$ 65,482,173	\$ 68,980,345	\$ 74,479,660	\$ 74,332,548	\$ 76,471,567	\$ 76,337,796
19,775,612	24,727,363	24,523,515	25,408,592	28,944,964	37,923,575
<u>\$ 85,257,785</u>	<u>\$ 93,707,708</u>	<u>\$ 99,003,175</u>	<u>\$ 99,741,140</u>	<u>\$ 105,416,531</u>	<u>\$ 114,261,371</u>
\$ 105,863,595	\$ 119,363,865	\$ 129,106,338	\$ 142,563,019	\$ 150,952,053	\$ 160,267,688
21,514,250	23,769,902	20,375,159	19,353,646	22,977,203	28,965,294
26,651,420	21,435,427	21,598,098	23,218,187	35,206,635	41,681,453
<u>\$ 154,029,265</u>	<u>\$ 164,569,194</u>	<u>\$ 171,079,595</u>	<u>\$ 185,134,852</u>	<u>\$ 209,135,891</u>	<u>\$ 230,914,435</u>

CITY OF ROSENBERG, TEXAS

CHANGES IN NET POSITION

Last Ten Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental Activities				
General government	\$ 3,995,452	\$ 4,504,358	\$ 5,350,906	\$ 4,446,334
Public safety	13,430,159	13,688,321	15,997,582	17,405,764
Public works	7,236,352	7,962,151	9,224,710	9,408,265
Community development	2,616,778	3,037,820	3,704,464	3,885,492
Interest on long-term debt	2,039,639	2,095,192	2,140,471	2,362,480
Debt issuance costs	128,148	65,849	85,470	-
Total Governmental Activities Expenses	<u>29,446,528</u>	<u>31,353,691</u>	<u>36,503,603</u>	<u>37,508,335</u>
Business-Type Activities				
Water and wastewater	7,163,452	7,862,720	9,445,663	10,386,479
Solid waste	-	-	-	-
Civic center rentals	391,242	403,256	294,626	333,868
Total Business-Type Activities Expenses	<u>7,554,694</u>	<u>8,265,976</u>	<u>9,740,289</u>	<u>10,720,347</u>
Total Primary Government Expenses	<u>\$ 37,001,222</u>	<u>\$ 39,619,667</u>	<u>\$ 46,243,892</u>	<u>\$ 48,228,682</u>
Program Revenues				
Governmental Activities				
Charges for services				
General government	\$ 2,702,399	\$ 2,794,675	\$ 2,767,182	\$ 2,902,041
Public safety	1,953,287	2,220,117	2,251,968	2,477,945
Public works	4,386,859	4,751,892	4,693,162	4,977,523
Community development	104,582	34,992	29,291	31,481
Operating grants and contributions	187,547	252,706	184,004	693,220
Capital grants and contributions	5,028,824	4,433,455	4,181,490	4,827,839
Total Governmental Activities Program Revenues	<u>14,363,498</u>	<u>14,487,837</u>	<u>14,107,097</u>	<u>15,910,049</u>
Business-Type Activities				
Charges for services				
Water	6,803,044	8,125,375	9,046,596	10,237,415
Wastewater	5,058,751	5,327,572	5,381,662	5,296,433
Solid waste	-	-	-	-
Civic center rentals	115,780	78,104	99,385	102,605
Operating grants and contributions	3,997	496,547	-	155,589
Capital grants and contributions	517,470	687,808	778,401	-
Total Business-Type Activities Program Revenues	<u>12,499,042</u>	<u>14,715,406</u>	<u>15,306,044</u>	<u>15,792,042</u>
Total Primary Government Program Revenues	<u>\$ 26,862,540</u>	<u>\$ 29,203,243</u>	<u>\$ 29,413,141</u>	<u>\$ 31,702,091</u>
Net (Expense)/Revenue				
Governmental activities	\$ (15,083,030)	\$ (16,865,854)	\$ (22,396,506)	\$ (21,598,286)
Business-type activities	4,944,348	6,449,430	5,565,755	5,071,695
Total Primary Government Net (Expense)	<u>\$ (10,138,682)</u>	<u>\$ (10,416,424)</u>	<u>\$ (16,830,751)</u>	<u>\$ (16,526,591)</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 5,539,396	\$ 6,562,067	\$ 6,302,066	\$ 7,159,382	\$ 5,560,465	\$ 6,650,592
17,388,136	21,781,177	19,633,193	18,991,208	19,120,777	21,841,266
12,564,950	11,988,077	11,731,795	12,493,484	12,720,410	10,267,010
3,093,782	3,878,243	3,992,827	3,697,149	3,537,282	3,688,036
2,311,732	1,716,802	1,356,873	1,411,907	1,211,992	1,025,533
-	-	-	-	-	-
40,897,996	45,926,366	43,016,754	43,753,130	42,150,926	43,472,437
10,898,020	13,586,594	13,614,540	14,056,202	14,718,206	16,712,465
-	-	-	-	-	4,483,099
479,223	222,330	341,085	344,335	389,171	545,276
11,377,243	13,808,924	13,955,625	14,400,537	15,107,377	21,740,840
\$ 52,275,239	\$ 59,735,290	\$ 56,972,379	\$ 58,153,667	\$ 57,258,303	\$ 65,213,277
\$ 2,923,858	\$ 2,859,478	\$ 2,837,695	\$ 3,190,350	\$ 3,336,356	\$ 3,547,310
2,922,656	3,555,298	3,706,558	3,059,646	1,881,540	1,975,113
5,333,801	5,778,800	6,129,357	8,050,346	8,984,274	2,820,523
27,671	25,005	9,275	25,907	74,172	76,580
1,042,181	742,504	1,366,547	996,929	355,086	287,587
7,013,826	9,532,748	3,876,159	4,698,466	6,316,307	8,465,332
19,263,993	22,493,833	17,925,591	20,021,644	20,947,735	17,172,445
11,209,375	13,375,551	12,087,546	14,187,167	16,876,880	17,133,123
5,309,921	5,177,370	5,173,638	6,042,403	6,683,063	7,221,080
-	-	-	-	-	5,327,135
121,053	109,534	34,812	117,730	154,729	194,477
6,788	1,336,750	462,325	494,882	94,024	-
-	-	-	-	-	-
16,647,137	19,999,205	17,758,321	20,842,182	23,808,696	29,875,815
\$ 35,911,130	\$ 42,493,038	\$ 35,683,912	\$ 40,863,826	\$ 44,756,431	\$ 47,048,260
\$ (21,634,003)	\$ (23,432,533)	\$ (25,091,163)	\$ (23,731,486)	\$ (21,203,191)	\$ (26,299,992)
5,269,894	6,190,281	3,802,696	6,441,645	8,701,319	8,134,975
\$ (16,364,109)	\$ (17,242,252)	\$ (21,288,467)	\$ (17,289,841)	\$ (12,501,872)	\$ (18,165,017)

CITY OF ROSENBERG, TEXAS

CHANGES IN NET POSITION (Continued)

Last Ten Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes and fees				
Property tax	\$ 8,557,411	\$ 8,833,478	\$ 9,573,741	\$ 10,657,377
Sales tax	12,407,344	12,642,075	11,781,945	12,521,827
Hotel occupancy tax	676,143	744,371	642,742	605,264
Investment earnings	20,512	33,739	202,646	466,386
Gain on sale of capital assets	90,641	172,184	54,717	-
Other revenues	337,321	403,605	264,045	420,524
Transfers in (out)	1,107,446	(2,585,254)	(414,816)	(2,741,618)
Total Governmental Activities General Revenues and Expenses	<u>23,196,818</u>	<u>20,244,198</u>	<u>22,105,020</u>	<u>21,929,760</u>
Business-Type Activities				
Investment earnings	6,563	11,070	67,622	148,877
Transfers in (out)	(1,107,446)	2,595,254	414,816	2,741,618
Total Business-Type Activities General Revenues and Expenses	<u>(1,100,883)</u>	<u>2,606,324</u>	<u>482,438</u>	<u>2,890,495</u>
Total Primary Government General Revenues and Expenses	<u>22,095,935</u>	<u>22,850,522</u>	<u>22,587,458</u>	<u>24,820,255</u>
Change in Net Position				
Governmental activities	8,113,788	3,378,344	(291,486)	331,474
Business-type activities	3,843,465	9,055,754	6,048,193	7,962,190
Total Primary Government Change in Net Position	<u>\$ 11,957,253</u>	<u>\$ 12,434,098</u>	<u>\$ 5,756,707</u>	<u>\$ 8,293,664</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 11,071,864	\$ 10,875,805	\$ 11,365,321	\$ 11,396,110	\$ 11,732,439	\$ 12,808,007
14,474,532	14,108,795	14,701,582	18,578,297	22,465,983	19,853,684
755,420	537,357	422,436	515,834	598,857	660,419
954,997	1,361,297	556,245	59,245	482,386	3,551,870
909,746	10,639	-	-	-	-
192,669	259,198	424,156	757,590	993,435	1,413,427
2,122,861	(1,630,552)	(1,163,643)	5,741,702	3,255,739	946,289
<u>30,482,089</u>	<u>25,522,539</u>	<u>26,306,097</u>	<u>37,048,778</u>	<u>39,528,839</u>	<u>39,233,696</u>
349,995	629,090	329,128	38,022	229,811	1,656,154
(2,122,861)	1,630,552	1,163,643	(5,741,702)	(3,255,739)	(946,289)
<u>(1,772,866)</u>	<u>2,259,642</u>	<u>1,492,771</u>	<u>(5,703,680)</u>	<u>(3,025,928)</u>	<u>709,865</u>
<u>28,709,223</u>	<u>27,782,181</u>	<u>27,798,868</u>	<u>31,345,098</u>	<u>36,502,911</u>	<u>39,943,561</u>
8,848,086	2,090,006	1,214,934	13,317,292	18,325,648	12,933,704
3,497,028	8,449,923	5,295,467	737,965	5,675,391	8,844,840
<u>\$ 12,345,114</u>	<u>\$ 10,539,929</u>	<u>\$ 6,510,401</u>	<u>\$ 14,055,257</u>	<u>\$ 24,001,039</u>	<u>\$ 21,778,544</u>

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

Function	Fiscal Year			
	2014	2015	2016	2017
Property tax	\$ 8,557,411	\$ 8,833,478	\$ 9,573,741	\$ 10,657,377
Sales tax	12,407,344	12,642,075	11,781,945	12,521,827
Hotel occupancy tax	676,143	744,371	642,742	605,264
Totals	\$ 21,640,898	\$ 22,219,924	\$ 21,998,428	\$ 23,784,468

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 11,071,864	\$ 10,875,805	\$ 11,365,321	\$ 11,396,110	\$ 11,732,439	\$ 12,808,007
14,474,532	14,108,795	14,701,582	18,578,297	22,465,983	19,853,684
755,420	537,357	422,436	515,834	598,857	660,419
<u>\$ 26,301,816</u>	<u>\$ 25,521,957</u>	<u>\$ 26,489,339</u>	<u>\$ 30,490,241</u>	<u>\$ 34,797,279</u>	<u>\$ 33,322,110</u>

CITY OF ROSENBERG, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 36,067	\$ 19,029	\$ 25,289	\$ 35,591
Assigned	1,104,350	-	-	-
Unassigned	11,894,623	15,450,057	15,670,160	17,057,874
Total General Fund	\$ 13,035,040	\$ 15,469,086	\$ 15,695,449	\$ 17,093,465
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ 1,981
Restricted	28,526,910	25,129,068	26,495,326	27,069,605
Committed	-	-	-	-
Unassigned	-	-	-	(98,147)
Total Other Governmental Funds	\$ 28,526,910	\$ 25,129,068	\$ 26,495,326	\$ 26,973,439

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 86,289	\$ 98,792	\$ 80,898	\$ 86,994	\$ 97,871	\$ 114,851
4,293,929	1,750,000	300,000	300,000	300,000	300,000
15,887,549	15,926,869	18,906,187	18,729,598	20,600,145	19,819,809
<u>\$ 20,267,767</u>	<u>\$ 17,775,661</u>	<u>\$ 19,287,085</u>	<u>\$ 19,116,592</u>	<u>\$ 20,998,016</u>	<u>\$ 20,234,660</u>
\$ 1,981	\$ 110	\$ 977	\$ 428	\$ 399	\$ 4,233
36,048,452	34,609,621	28,293,018	24,088,535	25,342,473	31,079,998
-	-	-	4,388,768	11,149,825	13,176,995
(154,614)	-	-	-	-	-
<u>\$ 35,895,819</u>	<u>\$ 34,609,731</u>	<u>\$ 28,293,995</u>	<u>\$ 28,477,731</u>	<u>\$ 36,492,697</u>	<u>\$ 44,261,226</u>

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes	\$ 21,660,794	\$ 22,218,125	\$ 22,027,162	\$ 23,781,562
Franchise fees	1,851,747	1,898,719	1,924,699	1,963,484
Licenses and permits	771,303	822,193	748,694	753,493
Fines and forfeitures	573,433	612,230	559,799	663,834
Fees and charges for services	4,035,891	4,392,627	4,345,189	4,616,700
Intergovernmental	9,495,522	7,419,273	7,105,930	3,930,169
Investment earnings	19,061	31,637	189,633	437,116
Lease revenue	-	-	-	-
Other	450,829	505,433	304,601	698,751
Total Revenues	<u>38,858,580</u>	<u>37,900,237</u>	<u>37,205,707</u>	<u>36,845,109</u>
Expenditures				
General government	3,446,026	3,787,085	3,864,072	3,787,501
Public safety	12,519,502	12,958,143	14,226,773	15,323,946
Public works	4,511,391	5,059,614	5,590,942	5,894,608
Community development	2,283,655	2,772,737	3,303,417	3,413,792
Capital outlay	6,903,952	7,871,262	10,396,946	5,815,083
Debt service:				
Principal	4,906,639	4,916,983	5,236,922	5,660,000
Interest and fiscal charges	2,101,713	2,177,290	2,224,256	2,246,523
Debt issuance costs	128,148	65,849	85,470	239,118
Total Expenditures	<u>36,801,026</u>	<u>39,608,963</u>	<u>44,928,798</u>	<u>42,380,571</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,057,554</u>	<u>(1,708,726)</u>	<u>(7,723,091)</u>	<u>(5,535,462)</u>
Other Financing Sources (Uses)				
Debt issuance	6,565,000	3,000,000	9,760,000	9,825,000
Refunding bonds issued	-	-	-	7,390,000
Premium on bonds	133,572	168,000	209,584	687,315
Insurance proceeds	41,362	6,730	21,355	19,900
Payments to refunding bond escrow agent	-	-	-	(7,841,447)
Proceeds on sale of capital assets	72,080	165,454	39,589	114,505
Transfers in	5,200,179	7,024,867	5,858,844	6,926,714
Transfers (out)	(4,092,732)	(9,620,121)	(6,573,660)	(9,710,396)
Total Other Financing Sources (Uses)	<u>7,919,461</u>	<u>744,930</u>	<u>9,315,712</u>	<u>7,411,591</u>
Net Change in Fund Balances	<u>\$ 9,977,015</u>	<u>\$ (963,796)</u>	<u>\$ 1,592,621</u>	<u>\$ 1,876,129</u>
Debt service as a percentage of noncapital expenditures	22.9%	21.9%	20.2%	20.2%

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 26,246,047	\$ 25,529,183	\$ 26,443,259	\$ 30,608,454	\$ 34,787,306	\$ 33,278,366	
1,967,554	1,997,165	1,929,747	2,079,378	2,258,659	2,188,901	
692,388	832,679	1,061,522	1,080,977	1,330,138	969,545	
675,460	587,367	613,292	813,590	835,251	1,038,587	
5,085,045	5,424,756	5,586,027	7,498,177	8,189,522	2,444,345	
10,699,195	17,397,749	8,800,747	8,468,826	8,317,279	10,514,270	
895,364	1,247,237	556,245	59,245	437,237	3,247,322	
-	-	-	-	16,887	16,848	
454,921	857,088	369,445	757,590	993,434	1,413,377	
<u>46,715,974</u>	<u>53,873,224</u>	<u>45,360,284</u>	<u>51,366,237</u>	<u>57,165,713</u>	<u>55,111,561</u>	
5,030,650	5,724,217	5,333,610	6,924,283	5,413,343	6,401,262	
15,776,535	17,373,943	18,789,715	18,360,549	18,416,333	19,711,980	
7,130,734	7,361,297	7,507,476	8,176,742	8,757,693	5,495,517	
2,374,504	2,445,485	2,753,123	2,678,006	3,064,819	3,004,757	
8,850,948	12,763,002	6,261,661	9,438,100	6,104,275	9,465,915	
10,262,726	8,260,000	6,535,000	8,910,000	7,665,000	5,375,000	
2,170,996	2,100,491	1,720,517	1,607,016	1,387,410	1,213,957	
306,478	-	126,464	-	-	-	
<u>51,903,571</u>	<u>56,028,435</u>	<u>49,027,566</u>	<u>56,094,696</u>	<u>50,808,873</u>	<u>50,668,388</u>	
<u>(5,187,597)</u>	<u>(2,155,211)</u>	<u>(3,667,282)</u>	<u>(4,728,459)</u>	<u>6,356,840</u>	<u>4,443,173</u>	
9,320,000	-	-	-	-	-	
4,950,000	-	7,075,000	-	-	-	
551,465	-	827,640	-	-	-	
22,215	34,430	54,711	-	-	-	
-	-	(7,930,738)	-	-	-	
983,338	10,639	-	-	-	-	
7,065,926	11,163,252	8,115,582	16,610,459	16,920,186	11,008,324	
<u>(5,608,665)</u>	<u>(12,831,304)</u>	<u>(9,279,225)</u>	<u>(11,868,757)</u>	<u>(13,380,636)</u>	<u>(8,446,324)</u>	
<u>17,284,279</u>	<u>(1,622,983)</u>	<u>(1,137,030)</u>	<u>4,741,702</u>	<u>3,539,550</u>	<u>2,562,000</u>	
<u>\$ 12,096,682</u>	<u>\$ (3,778,194)</u>	<u>\$ (4,804,312)</u>	<u>\$ 13,243</u>	<u>\$ 9,896,390</u>	<u>\$ 7,005,173</u>	
26.7%	23.2%	19.0%	22.4%	19.8%	15.1%	

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

	Fiscal Year			
	2014	2015	2016	2017
Property tax	\$ 8,577,307	\$ 8,831,679	\$ 9,602,475	\$ 10,654,471
Sales tax	12,407,344	12,642,075	11,781,945	12,521,827
Hotel occupancy tax	676,143	744,371	642,742	605,264
Totals	\$ 21,660,794	\$ 22,218,125	\$ 22,027,162	\$ 23,781,562

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 11,016,095	\$ 10,883,031	\$ 11,319,241	\$ 11,514,323	\$ 11,722,466	\$ 12,764,263
13,635,372	14,108,795	14,701,582	18,578,297	22,465,983	19,853,684
755,420	537,357	422,436	515,834	598,857	660,419
<u>\$ 25,406,887</u>	<u>\$ 25,529,183</u>	<u>\$ 26,443,259</u>	<u>\$ 30,608,454</u>	<u>\$ 34,787,306</u>	<u>\$ 33,278,366</u>

CITY OF ROSENBERG, TEXAS

TAXABLE SALES BY CATEGORY

Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
Manufacturing	\$ 71,023,948	\$ 44,265,651	\$ 15,128,366	\$ 21,052,228
Construction	5,699,322	6,761,025	5,002,267	5,662,186
Mining/Oil and Gas Extraction	698,165	661,261	292,920	443,889
Wholesale Trade	24,760,219	29,725,965	22,074,684	130,446,207
Retail Trade	475,049,147	499,317,990	459,438,625	388,297,566
Information	16,434,007	18,819,964	19,509,936	18,338,120
Finance/Insurance	1,582,285	1,662,748	1,656,975	1,661,182
Real Estate/Rental/Leasing	2,813,209	3,175,468	3,283,675	3,787,231
Professional/Scientific/Technical	2,055,795	2,225,002	2,346,951	2,346,951
Administration/Waste Management	5,149,744	7,761,946	11,318,786	13,902,188
Entertainment/Recreation	22,415	347,356	1,869,409	3,214,948
Accommodation/Food Service	95,710,727	104,003,993	107,277,110	111,620,479
Other Services	9,342,029	10,499,800	11,417,087	13,201,471
Other	-	-	-	1,200
Totals	<u>\$ 710,341,012</u>	<u>\$ 729,228,169</u>	<u>\$ 660,616,791</u>	<u>\$ 713,975,846</u>
City Direct Sales Tax Rate	0.0125%	0.0125%	0.0125%	0.0125%

Source: Texas Comptroller of Public Accounts

* Represents the first two quarters of the 2023 fiscal year. The third and fourth quarters are not currently available.

Fiscal Year						
2018	2019	2020	2021	2022	2023 *	
\$ 43,420,104	\$ 28,469,626	\$ 30,892,103	\$ 37,765,330	\$ 16,456,695	\$ 17,950,353	
7,465,976	7,031,676	8,894,735	6,239,881	5,422,933	5,079,713	
3,020,459	1,158,820	1,070,495	370,975	111,093	187,493	
233,498,069	245,773,076	255,967,179	317,960,533	314,642,720	224,865,409	
391,644,609	373,129,042	385,749,354	329,923,128	234,619,988	242,456,318	
19,587,627	19,132,131	14,139,158	12,329,022	5,875,192	6,950,765	
1,686,975	1,506,495	1,781,072	1,197,424	978,751	1,113,820	
3,512,415	3,758,665	5,079,619	3,512,348	4,196,003	7,173,179	
2,503,002	2,363,759	2,660,549	2,970,547	2,918,851	1,794,220	
17,984,064	20,599,942	28,322,633	24,989,672	17,472,542	16,335,576	
5,055,283	5,233,748	3,271,645	2,413,949	2,361,252	2,556,058	
119,503,935	121,340,113	116,864,759	101,913,564	74,244,447	85,231,540	
14,263,882	13,902,554	13,407,230	11,503,906	8,785,250	9,445,021	
-	-	-	-	-	-	
<u>\$ 863,146,400</u>	<u>\$ 843,399,647</u>	<u>\$ 868,100,531</u>	<u>\$ 853,090,279</u>	<u>\$ 688,085,717</u>	<u>\$ 621,139,465</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			
	2014	2015	2016	2017
Residential Property	\$ 749,359,856	\$ 792,288,805	\$ 909,775,642	\$ 1,026,346,467
Commercial Property	1,004,574,850	1,048,609,929	1,059,601,822	1,331,364,289
Personal Property	280,163,875	288,757,261	301,546,216	288,805,245
Less: Tax Exempt Property	<u>(342,400,025)</u>	<u>(345,917,083)</u>	<u>(337,543,351)</u>	<u>(447,394,435)</u>
Total Taxable Assessed Value (1)	<u>\$ 1,691,698,556</u>	<u>\$ 1,783,738,912</u>	<u>\$ 1,933,380,329</u>	<u>\$ 2,199,121,566</u>
Total Direct Tax Rate	\$ 0.50000	\$ 0.49000	\$ 0.47000	\$ 0.47000

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					
2018	2019	2020	2021	2022	2023
\$ 1,165,054,442	\$ 1,299,128,613	\$ 1,408,588,051	\$ 1,494,231,940	\$ 1,651,616,625	\$ 2,044,820,414
1,362,148,541	1,382,895,685	1,453,067,836	1,665,885,439	1,901,878,240	2,152,073,783
348,221,145	390,188,821	411,559,420	403,140,153	474,962,330	561,265,684
<u>(530,701,399)</u>	<u>(571,037,012)</u>	<u>(615,374,870)</u>	<u>(749,208,279)</u>	<u>(877,466,502)</u>	<u>(1,134,402,826)</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>	<u>\$ 3,150,990,693</u>	<u>\$ 3,623,757,055</u>
\$ 0.46200	\$ 0.43000	\$ 0.41500	\$ 0.40000	\$ 0.38000	\$ 0.35500

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

<u>Tax Rates*</u>		<u>City Direct Rates</u>			<u>Overlapping Rates⁽¹⁾</u>		<u>Total City</u>
<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Operating Tax Rate</u>	<u>Debt Service Rate</u>	<u>Total Tax Rate</u>	<u>Lamar CISD</u>	<u>Fort Bend County</u>	<u>Not In MUD Total Overlapping Rate</u>
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
2022	2021	\$ 0.22983	\$ 0.15017	\$ 0.38000	\$ 1.24200	\$ 0.45280	\$ 2.07480
2023	2022	\$ 0.18081	\$ 0.17420	\$ 0.35500	\$ 1.24200	\$ 0.44920	\$ 2.04620

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 portion of the government's property owners whose property is located within the geographical boundaries of the special district).

Overlapping Rates⁽¹⁾

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
\$0.71000	\$ 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
\$0.41426	\$ 2.48906	\$0.77000	\$ 2.84480	\$0.95000	\$ 3.02480	\$0.60000	\$ 2.67480
\$0.37500	\$ 2.42120	\$0.69000	\$ 2.73620	\$0.95000	\$ 2.99620	\$0.53500	\$ 2.58120

Overlapping Rates⁽¹⁾

Tax Rates*		Fort Bend MUD #159		Fort Bend MUD #167		Fort Bend MUD #225	
Fiscal Year	Tax Year	MUD Rate	Overlapping Rate	MUD Rate	Overlapping Rate	MUD Rate	Overlapping Rate
2014	2013	\$0.84000	\$ 3.22981	\$0.89000	\$ 3.27981	N/A	\$ 2.38981
2015	2014	\$0.78000	\$ 3.15481	\$0.89000	\$ 3.26481	N/A	\$ 2.37481
2016	2015	\$0.72000	\$ 3.06605	\$0.85000	\$ 3.19605	N/A	\$ 2.34605
2017	2016	\$0.72000	\$ 3.05405	\$0.85000	\$ 3.18405	N/A	\$ 2.33405
2018	2017	\$0.72000	\$ 3.04105	\$0.85000	\$ 3.17105	N/A	\$ 2.32105
2019	2018	\$0.72000	\$ 3.00400	\$0.85000	\$ 3.13400	N/A	\$ 2.28400
2020	2019	\$0.72000	\$ 2.91500	\$0.82000	\$ 3.01500	N/A	\$ 2.19500
2021	2020	\$0.71000	\$ 2.83231	\$0.75000	\$ 2.87231	N/A	\$ 2.12231
2022	2021	\$0.70000	\$ 2.77480	\$0.64000	\$ 2.71480	N/A	\$ 2.07480
2023	2022	\$0.67500	\$ 2.77480	\$0.58000	\$ 2.62620	\$ 1.08500	\$ 3.13120

Overlapping Rates⁽¹⁾

Tax Rates*		Fort Bend MUD #233	
Fiscal Year	Tax Year	MUD Rate	Overlapping Rate
2014	2013	N/A	N/A
2015	2014	N/A	N/A
2016	2015	N/A	N/A
2017	2016	N/A	N/A
2018	2017	N/A	N/A
2019	2018	N/A	N/A
2020	2019	N/A	N/A
2021	2020	\$0.90000	\$ 3.02231
2022	2021	\$0.90000	\$ 2.97480
2023	2022	\$0.90000	\$ 2.94620

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CITY OF ROSENBERG, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	Fiscal Year					
	2023			2014		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
Brazos TC - Partnership A, LP	\$ 53,232,920	1	1.47%	\$ 67,636,880	1	4.00%
RH Town Center LLC	45,720,000	2	1.26%	-	-	- %
Dolce Rosenberg Master LLC	45,083,800	3	1.24%	16,855,420	6	1.00%
Continental 453 Fund LLC	40,985,310	4	1.13%	-	-	- %
GSSW Brazos Ranch LLC	37,721,450	5	1.04%	-	-	- %
Aldi (Texas) LLC	32,929,551	6	0.91%	-	-	- %
Brazos TC - South Partnership A, LP	29,653,218	7	0.82%	20,630,590	4	1.22%
3101 Place Acquisition	25,502,700	8	0.70%	13,151,500	9	0.78%
Centerpoint Energy Electric	25,127,310	9	0.69%	14,092,230	8	0.83%
Dollar Tree Distribution Inc	23,412,850	10	0.65%	-	-	- %
A-S 92 Hwy 59 Reading Rd LP	-	-	- %	19,230,450	5	1.14%
Kroger Texas LP	-	-	- %	16,658,740	7	0.98%
National Oilwell Downhole Tools	-	-	- %	24,246,540	2	1.43%
GS Brazos Ranch	-	-	- %	21,685,760	3	1.28%
Seatex LTD	-	-	- %	12,456,120	10	0.74%
Subtotal	359,369,109		9.92%	226,644,230		13.40%
Other Taxpayers	3,264,387,946		90.08%	1,465,054,326		86.60%
Total	\$ 3,623,757,055		100.00%	\$ 1,691,698,556		100.00%

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

CITY OF ROSENBERG, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
Tax levy	\$ 8,491,306	\$ 8,960,577	\$ 9,533,916	\$ 10,597,320
Current tax collected	8,387,692	8,848,290	9,452,428	10,499,723
Percentage of current tax collections	98.78%	98.75%	99.15%	99.08%
Delinquent tax collections	<u>97,157</u>	<u>105,941</u>	<u>75,364</u>	<u>84,998</u>
Total tax collections	<u>\$ 8,484,849</u>	<u>\$ 8,954,231</u>	<u>\$ 9,527,792</u>	<u>\$ 10,584,721</u>
Total collections as a percentage of current levy	99.92%	99.93%	99.94%	99.88%
Outstanding delinquent taxes	<u>\$ 6,457</u>	<u>\$ 6,346</u>	<u>\$ 6,124</u>	<u>\$ 12,599</u>

Source: Tax assessor/collector's records.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 11,002,050	\$ 10,828,689	\$ 11,069,518	\$ 11,375,366	\$ 11,522,885	\$ 12,817,375
10,853,779	10,690,573	10,987,474	11,344,205	11,496,289	12,692,411
98.65%	98.72%	99.26%	99.73%	99.77%	99.03%
131,225	111,869	57,907	8,040	-	-
<u>\$ 10,985,004</u>	<u>\$ 10,802,442</u>	<u>\$ 11,045,381</u>	<u>\$ 11,352,245</u>	<u>\$ 11,496,289</u>	<u>\$ 12,692,411</u>
99.82%	99.76%	99.68%	99.80%	99.77%	99.03%
<u>\$ 17,046</u>	<u>\$ 26,247</u>	<u>\$ 24,137</u>	<u>\$ 23,121</u>	<u>\$ 26,596</u>	<u>\$ 124,964</u>

CITY OF ROSENBERG, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
Primary Government				
Governmental Activities:				
General obligation bonds	\$ 15,860,000	\$ 13,975,000	\$ 12,050,000	\$ 15,460,000
Certificates of obligation	48,380,000	48,660,000	55,265,000	55,595,000
Notes payable	305,956	156,922	-	-
Tax anticipation notes	160,000	-	-	-
Leases payable	-	-	-	-
Subscription liabilities	-	-	-	-
Bond issuance premiums	830,550	921,760	1,054,554	1,613,624
Total Governmental Activities	65,536,506	63,713,682	68,369,554	72,668,624
Business-Type Activities:				
Revenue bonds	314,000	294,000	273,000	252,000
Capital finance agreements	1,421,834	1,343,434	1,819,225	1,215,771
Notes payable	2,976,029	2,406,433	1,251,607	1,154,959
Total Business-Type Activities	4,711,863	4,043,867	3,343,832	2,622,730
Total Primary Government	\$ 70,248,369	\$ 67,757,549	\$ 71,713,386	\$ 75,291,354
Personal Income	\$ 664,145,547	\$ 785,369,376	\$ 791,108,406	\$ 809,855,904
Debt as a Percentage of Personal Income	10.58%	8.63%	9.06%	9.30%
Population	34,127	34,896	35,151	35,984
Debt Per Capita	\$ 2,058	\$ 1,942	\$ 2,040	\$ 2,092

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

**Implementation of GASB 87 for leases

***Implementation of GASB 96 for Subscription-Based Information Technology Arrangements

Fiscal Year						
2018	2019	2020	2021**	2022**	2023***	
\$ 18,725,000	\$ 14,825,000	\$ 17,725,000	\$ 15,970,000	\$ 14,150,000	\$ 12,265,000	
56,425,000	52,060,000	41,915,000	34,760,000	28,915,000	25,425,000	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	201,428	144,177	86,712	
-	-	-	-	-	241,098	
1,999,347	1,636,091	1,973,162	1,789,143	1,605,124	1,421,105	
<u>77,149,347</u>	<u>68,521,091</u>	<u>61,613,162</u>	<u>52,720,571</u>	<u>44,814,301</u>	<u>39,438,915</u>	
231,000	210,000	189,000	164,000	147,000	122,000	
1,051,607	944,544	706,988	262,902	-	-	
594,009	-	-	-	-	-	
<u>1,876,616</u>	<u>1,154,544</u>	<u>895,988</u>	<u>426,902</u>	<u>147,000</u>	<u>122,000</u>	
<u>\$ 79,025,963</u>	<u>\$ 69,675,635</u>	<u>\$ 62,509,150</u>	<u>\$ 53,147,473</u>	<u>\$ 44,961,301</u>	<u>\$ 39,560,915</u>	
\$ 827,095,500	\$ 884,064,540	\$ 914,403,852	\$ 978,024,450	\$ 1,029,347,498	\$ 1,094,005,106	
9.55%	7.88%	6.84%	5.43%	4.37%	3.62%	
36,750	37,516	38,282	40,001	40,346	40,739	
\$ 2,150	\$ 1,857	\$ 1,633	\$ 1,329	\$ 1,114	\$ 971	

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

	Fiscal Year			
	2014	2015	2016	2017
Net Taxable Assessed Value				
All property	\$ 1,691,698,556	\$ 1,783,738,912	\$ 1,933,380,329	\$ 2,199,121,566
Net Bonded Debt				
General obligation bonds	\$ 15,860,000	\$ 13,975,000	\$ 12,050,000	\$ 15,460,000
Certificates of obligation	48,380,000	48,660,000	55,265,000	55,595,000
Bond issuance premiums	830,550	921,760	1,054,554	1,613,624
Less debt service funds	4,976,742	5,014,535	5,028,226	5,681,677
Total General Bonded Debt	<u>\$ 60,093,808</u>	<u>\$ 58,542,225</u>	<u>\$ 63,341,328</u>	<u>\$ 66,986,947</u>
Percentage of Actual Taxable Value of Property	3.55%	3.28%	3.28%	3.05%
Population	34,127	34,896	35,151	35,984
Per Capita	\$ 1,761	\$ 1,678	\$ 1,802	\$ 1,862

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 2,344,722,729	\$ 2,501,176,107	\$ 2,657,840,437	\$ 2,814,049,253	\$ 3,150,990,693	\$ 3,623,757,055
\$ 18,725,000	\$ 14,825,000	\$ 17,725,000	\$ 15,970,000	\$ 14,150,000	\$ 12,265,000
56,425,000	52,060,000	41,915,000	34,760,000	28,915,000	25,425,000
1,999,347	1,636,091	1,973,162	1,789,143	1,605,124	1,421,105
5,900,145	5,839,495	5,856,535	5,077,025	4,882,720	5,003,368
<u>\$ 71,249,202</u>	<u>\$ 62,681,596</u>	<u>\$ 55,756,627</u>	<u>\$ 47,442,118</u>	<u>\$ 39,787,404</u>	<u>\$ 34,107,737</u>
3.04%	2.51%	2.10%	1.69%	1.26%	0.94%
36,750	37,516	38,282	40,001	40,346	40,739
\$ 1,939	\$ 1,671	\$ 1,456	\$ 1,186	\$ 986	\$ 837

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CITY OF ROSENBERG, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2023

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Estimated Share of Direct and Overlapping Debt</u>
Fort Bend County	\$ 954,413,703	3.66%	\$ 34,931,542
Fort Bend County Drainage District	\$ 23,615,000	3.66%	864,309
Fort Bend MUD No. 94	\$ 2,810,000	100.00%	2,810,000
Fort Bend MUD No. 144	\$ 33,035,000	100.00%	33,035,000
Fort Bend MUD No. 147	\$ 16,235,000	100.00%	16,235,000
Fort Bend MUD No. 148	\$ 5,120,000	100.00%	5,120,000
Fort Bend MUD No. 152	\$ 39,980,000	0.20%	79,960
Fort Bend MUD No. 159	\$ 3,910,000	100.00%	3,910,000
Fort Bend MUD No. 167	\$ 24,250,000	100.00%	24,250,000
Fort Bend MUD No. 225	\$ 4,805,000	100.00%	4,805,000
Fort Bend MUD No. 233	\$ 13,615,000	100.00%	13,615,000
Lamar Consolidated Independent School District	\$ 2,834,465,000	14.89%	422,051,839
Total Overlapping Rates			<u>561,707,649</u>
City Direct Debt			<u>39,560,915</u>
Total Direct and Overlapping Debt (1)			<u><u>\$ 601,268,564</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			
	2014	2015	2016	2017
Debt limit	\$ 181,299,013	\$ 189,615,990	\$ 203,925,239	\$ 219,912,157
Total net debt applicable to limit	<u>59,737,258</u>	<u>58,858,229</u>	<u>62,286,774</u>	<u>65,562,263</u>
Legal debt margin	<u>\$ 121,561,755</u>	<u>\$ 130,757,761</u>	<u>\$ 141,638,465</u>	<u>\$ 154,349,894</u>
Total net debt applicable to the limit as a percentage of debt limit	32.95%	31.04%	30.54%	29.81%
Legal debt margin calculation by fiscal year				
Assessed value	\$ 1,812,990,131	\$ 1,896,159,898	\$ 2,039,252,388	\$ 2,199,121,566
Debt limit (10% of assessed value)	181,299,013	189,615,990	203,925,239	219,912,157
Debt applicable to limit:				
General obligation bonds	64,714,000	63,850,760	67,315,000	75,150,000
Less: amount set aside for obligation debt	<u>(4,976,742)</u>	<u>(5,014,535)</u>	<u>(5,028,226)</u>	<u>(5,681,677)</u>
Total net debt applicable to limit	<u>59,737,258</u>	<u>58,836,225</u>	<u>62,286,774</u>	<u>69,468,323</u>
Legal debt margin	<u>\$ 121,561,755</u>	<u>\$ 130,779,765</u>	<u>\$ 141,638,465</u>	<u>\$ 150,443,834</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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 234,472,273	\$ 250,117,611	\$ 265,784,044	\$ 281,404,925	\$ 315,099,069	\$ 362,375,706
60,984,855	61,045,505	53,783,465	45,820,975	38,329,280	32,816,777
<u>\$ 173,487,418</u>	<u>\$ 189,072,106</u>	<u>\$ 212,000,579</u>	<u>\$ 235,583,951</u>	<u>\$ 276,769,789</u>	<u>\$ 329,558,929</u>
26.01%	24.41%	20.24%	16.28%	12.16%	9.06%
\$ 2,344,722,729	\$ 2,501,176,107	\$ 2,657,840,437	\$ 2,814,049,253	\$ 3,150,990,693	\$ 3,623,757,055
234,472,273	250,117,611	265,784,044	281,404,925	315,099,069	362,375,706
66,885,000	66,885,000	59,640,000	50,898,000	43,212,000	37,816,000
(5,900,145)	(5,839,495)	(5,856,535)	(5,077,025)	(4,882,720)	(5,003,368)
60,984,855	61,045,505	53,783,465	45,820,975	38,329,280	32,812,632
<u>\$ 173,487,418</u>	<u>\$ 189,072,106</u>	<u>\$ 212,000,579</u>	<u>\$ 235,583,951</u>	<u>\$ 276,769,789</u>	<u>\$ 329,563,074</u>

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CITY OF ROSENBERG, TEXAS
DEBT SERVICE FUND PROJECTIONS FOR FISCAL YEAR 2024
September 30, 2023

Tax Obligation Debt Service Requirements for Fiscal Year 2024		\$ 6,635,404
Debt Service Fund, September 30, 2023	\$ 5,003,368	
Debt Service Fund Tax Levy at 99% Collection	6,180,570	
Estimated Prior Year Delinquent Taxes	50,000	
Estimated Transfer from Rosenberg Development Corporation	192,227	
Estimated Investment Income	50,000	11,476,165
Estimated Debt Service Fund Balance, September 30, 2024	50,000	\$ 4,840,761
General Obligation and/or Revenue Bonds		
Authorized but Unissued for 2023	None	
Floating Debt Outstanding for 2023	None	

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CITY OF ROSENBERG, TEXAS

COMPUTATION OF SELF-SUPPORTING DEBT

September 30, 2023

Waterworks and Wastewater System

Net system revenue available at September 30, 2023	\$	9,190,935
Less: 2023 requirements for revenue bonds		21,000
Balance available for other purposes	\$	<u>9,169,935</u>
Debt service coverage ratio		100.00
2023 requirements for system tax or general obligation bonds (1)	\$	-
Percentage of system general obligation bonds self-supporting		100%

Rosenberg Development Corporation

Net system revenue available at September 30, 2023	\$	7,119,682
Less: 2024 requirements for revenue bonds		-
Balance available for other purposes	\$	<u>7,119,682</u>
2024 requirements for general obligation bonds paid by the Corporation (1)	\$	<u>192,227</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

Fiscal Year Ended	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate
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%
2022	40,346	\$ 1,029,347,498	\$ 25,513	32.7	42,876	3.9%
2023	40,739	\$ 1,094,005,106	\$ 26,854	31.2	44,895	4.5%

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>2023</u>			<u>2014</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	6,300	1	34.02%	4,325	1	21.12%
Texana Center	824	2	4.45%	300	4	1.47%
Frito Lay, Inc.	750	3	4.05%	470	2	2.30%
Fort Bend County Offices - Annex	626	4	3.38%	159	8	0.78%
Dollar Tree	499	5	2.69%	-	-	-
City of Rosenberg	303	6	1.64%	255	5	1.25%
Kroger	285	7	1.54%	240	6	1.17%
Benedittini Cabinetry	271	8	1.46%	300	3	1.47%
Si Environmental	260	9	1.40%	150	9	0.73%
Biotics Research Corporation	190	10	1.03%	170	7	0.83%
OcuSoft	-	-	-	125	10	0.61%
Total	<u><u>10,308</u></u>		<u><u>55.66%</u></u>	<u><u>6,494</u></u>		<u><u>31.73%</u></u>

Source: City of Rosenberg Economic Development

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

	Fiscal Year			
	2014	2015	2016	2017
General Government	30	33	33	34
<u>Public Safety</u>				
Police	74	75	76	82
Civilians	22	25	28	28
Animal Control	3	3	3	4
<u>Fire</u>				
Firefighters	49	52	52	52
Civilians	2	2	2	2
<u>Public Works</u>				
Streets and Drainage	16	18	18	19
Building Maintenance	-	-	-	2
Fleet Maintenance	4	4	5	5
<u>Community Development</u>				
Planning	3	4	5	5
Code Enforcement	8	8	8	8
Health	1	2	2	2
Communications	1	3	-	-
Parks and Recreation	11	10	10	9
Hotel and Motel	-	-	1	1
Civic Center	5	5	4	3
Water and Wastewater	25	27	27	27
Total	254	255	270	283

Source: City personnel records

Fiscal Year					
2018	2019	2020	2021	2022	2023
34	34	34	34	36	40
82	88	90	75	78	78
28	28	28	25	25	25
4	5	5	5	5	6
53	59	59	59	59	61
2	2	2	2	2	2
19	19	19	19	20	20
2	2	2	2	2	2
5	5	5	5	5	5
5	5	5	5	5	5
9	9	11	11	12	12
2	2	2	2	2	2
-	-	-	-	-	-
9	9	9	8	8	7
1	1	1	1	1	1
3	3	3	3	3	3
28	29	29	29	32	34
287	301	305	286	295	303

CITY OF ROSENBERG, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
Function/Program				
Police				
Arrests	2,819	2,875	2,616	2,460
Accident reports	767	890	977	1,083
Citations	4,239	5,250	5,098	5,530
Offense reports	4,088	4,180	3,871	3,887
Calls for service	51,054	50,843	45,907	52,738
Fire				
Emergency responses	3,792	3,602	4,506	5,076
Fire incidents	141	149	*1,370	1,507
Service calls and other calls	3,651	3,453	3,036	3,419
Automatic aid, mutual aid given	152	83	153	150
Water				
Average daily consumption (millions of gallons)	3.69	3.87	3.94	4.09
Total consumption (millions of gallons)	1,353.24	1,411.00	1,438.00	1,493.00
Peak daily consumption	6.65	8.20	8.60	6.90
Sewer				
Average daily sewage treatment (millions of gallons)	2.83	2.82	3.01	3.23
Total consumption (millions of gallons)	867.35	1,029.00	1,098.00	1,179.00
Peak daily consumption (millions of gallons)	8.42	11.47	9.63	25.17

Source: Various City departments

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

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
2,272	2,041	1,719	1,701	2,141	1,859
1,041	1,064	905	974	921	898
5,037	4,970	5,130	5,751	5,834	6,860
3,666	3,099	2,682	3,758	4,132	4,178
53,253	**61,010	60,929	62,334	62,230	60,202
5,131	5,371	5,512	6,351	6,299	6,781
1,767	1,617	671	2,145	1,897	2,341
3,207	3,754	4,841	4,206	4,402	4,440
157	156	74	177	113	225
4.30	5.90	5.40	5.84	6.40	5.78
1,680.30	2,170.00	1,977.80	2,131.81	2,337.06	2,110.30
11.20	7.98	10.70	10.66	9.05	14.20
2.90	3.36	3.05	3.56	3.34	3.74
1,070.00	1,228.75	1,112.20	1,299.82	1,218.50	1,363.16
23.00	19.00	13.10	14.66	10.14	11.17

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CITY OF ROSENBERG, TEXAS

WATER AND SEWER RATES

September 30, 2023

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.

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CITY OF ROSENBERG, TEXAS

TOP TEN WATER AND SEWER CUSTOMERS

September 30, 2023

TOP TEN WATER CUSTOMERS

Rank	Customer	Type of Property	Consumption in Gallons	Revenue
1	Urban Brittany Square LP	Apartments	18,336,900	\$ 55,617
2	Springs at Summer Park	Apartments	14,777,600	46,535
3	Allied Concrete	Industrial	13,302,200	39,163
4	3101 Place Acquisition LLC	Apartments	13,221,000	41,956
5	Reading Park Apartments	Apartments	12,151,700	38,828
6	Brazos Ranch Apartment Homes	Apartments	11,851,000	39,808
7	Kings Arms Apartments	Apartments	10,193,300	30,676
8	Williams Brothers	Commercial	10,075,000	40,624
9	Bluewave Car Wash	Commercial	9,473,600	28,055
10	Lamar CISD Cooling Tower	School	9,060,100	27,452
Total			<u><u>122,442,400</u></u>	<u><u>\$ 388,714</u></u>

TOP TEN SEWER CUSTOMERS

Rank	Customer	Type of Property	Consumption in Gallons	Revenue
1	Urban Brittany Square LP	Apartments	18,336,900	\$ 59,278
2	Springs at Summer Park	Apartments	14,777,600	50,424
3	3101 Place Acquisition LLC	Apartments	13,221,000	45,533
4	Reading Park Apartments	Apartments	12,151,700	42,192
5	Brazos Ranch Apartments	Apartments	11,851,000	43,971
6	Kings Arms Apartments	Apartments	10,193,300	33,028
7	Bluewave Car Wash	Commercial	9,473,600	30,033
8	RH Town Center LLC	Apartments	7,865,700	28,873
9	Westwood Village Apartments	Apartments	6,882,900	21,986
10	Bayou Bend Apartments	Apartments	6,799,200	22,516
Total			<u><u>111,552,900</u></u>	<u><u>\$ 377,834</u></u>

CITY OF ROSENBERG, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2014	2015	2016	2017
Public safety				
Police stations	1	1	1	1
Patrol units	46	46	47	49
Fire stations	3	3	3	3
Public works				
Streets (miles)	162	156	158	159
Parks and recreation				
Parks acreage	443	445	445	445
Parks	9	9	9	9
Water and sewer				
Water mains (miles)	161	165	180	184
Fire hydrants	1,243	1,341	1,353	1,387
Maximum daily capacity (thousands of gallons)	5,372	8,230	8,230	11,838
Sanitary sewers (miles)	143	144	151	154
Storm sewers (miles)	130	68	84	91
Maximum daily treatment capacity (thousands of miles)	6,525	6,525	6,525	6,525

Source: Various City departments

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

Fiscal Year						
2018	2019	2020	2021	2022	2023	
1	1	1	1	1	1	1
49	51	50	51	53	53	53
3	3	3	3	3	3	4
159	164	160	160	160	160	160
445	469	469	469	469	469	469
9	9	9	9	9	9	9
186	193	200	203	209	215	215
1,328	1,486	1,559	1,596	1,653	1,730	1,730
11,838	11,838	11,838	11,838	11,838	11,838	11,838
154	159	165	169	171	175	175
92	97	102	105	108	114	114
6,525	6,525	6,525	6,525	6,525	6,525	6,525

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