

City of Rosenberg, TX

POPULAR ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2023



Rosenberg
TEXAS



Government Finance Officers Association

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

Presented to

**City of Rosenberg
Texas**

For its Annual Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

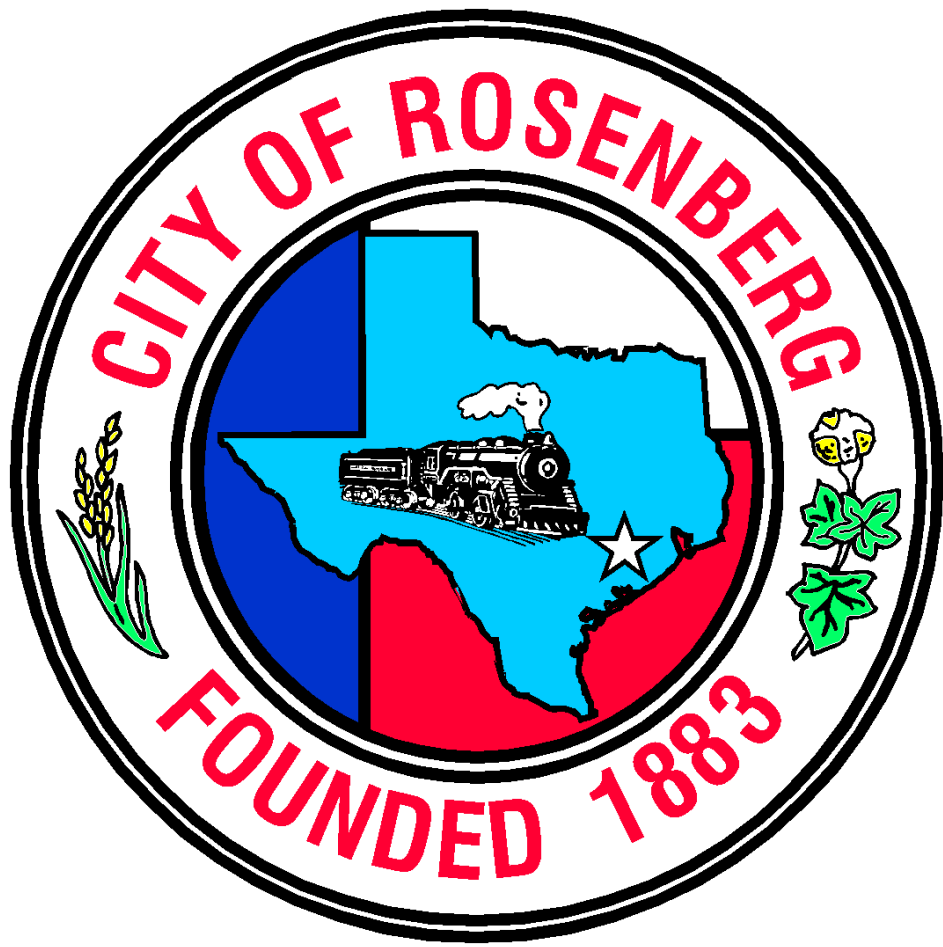
Executive Director/CEO

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The Government Finance Officers Association of the United States and Canada (GFOA) has given an award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Rosenberg, Texas for its Popular Annual Financial Report for the fiscal year ended September 30, 2022. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, accessibility, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Rosenberg has received the Popular Award for the fiscal year ended September 30, 2022 report. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and are submitting it to GFOA.



Message from the City Manager



Dear City of Rosenberg Residents,

On behalf of the City's Finance Department and the City of Rosenberg, I am pleased to present to you the City of Rosenberg's Popular Annual Financial Report (PAFR) for Fiscal Year 2023. Our goal with this report is to help you better understand how your tax dollars work and fund many important programs and services. This report captures but a snapshot of the productivity and accomplishments of our City over the past year.

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

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

Respectfully submitted,

John Maresh

John Maresh
City Manager

Financial Accomplishments



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

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

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

About Rosenberg



Rosenberg is located 30 miles southwest of Houston and is at the geographic and logistic heart of Fort Bend County, one of the fastest growing counties in the United States. We've experienced phenomenal growth over the course of the last decade, thanks to our business-friendly atmosphere, strategic location, and a superb quality of life.

In addition to an exceptionally business-friendly environment, our community offers unique leisure activities, family-friendly festivals and events, excellent local eateries and a growing list of recreational activities that contribute to our friendly, laid-back quality of life.

Rosenberg encompasses approximately 108 square miles – 37 within our Corporate Limits, and an additional 71 in our ETJ. Here's an interesting fact - Rosenberg and the ETJ is 48% undeveloped; this means there are approximately 57 square miles available for future growth.

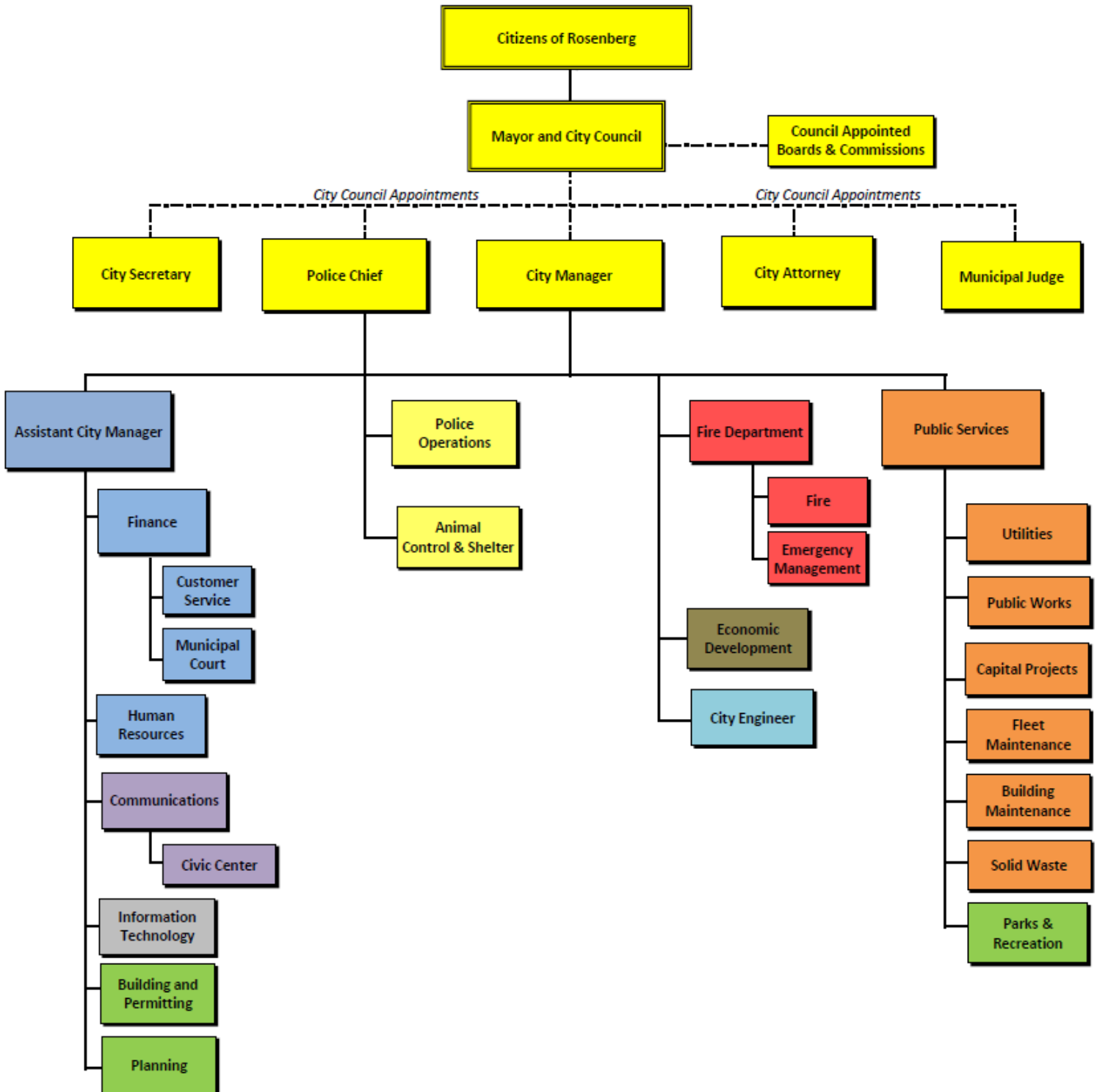
Mayor & City Council



Bottom Row: Marc Morales, Mayor Kevin Raines, Mayor Pro-Tem Susan Euton
Top Row: George Zepeda, Alicia Casias, Keith Parker and Hector Treviño

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.

Organizational Chart



Signature Events



Hometown Holiday Nights

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



Fort Bend County Fair

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



Family 4th Celebration

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



Easter Egg Hunt

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

Other notable events in Rosenberg

Touch-A-Truck, Boo-Berg, Splash Bash, Downtown Chocolate Walk, Cinco de Mayo, Wine & Beer Walk, Fishtastic Fishing Tournament, Mother/Son & Father/Daughter Dances, Sugar Rush.

City Amenities

City Parks

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

Seabourne Creek Regional Sports Complex



Seabourne Creek Nature Park



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

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

Rosenberg Civic Center



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

Fun & Recreation

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

Economic Development

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

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



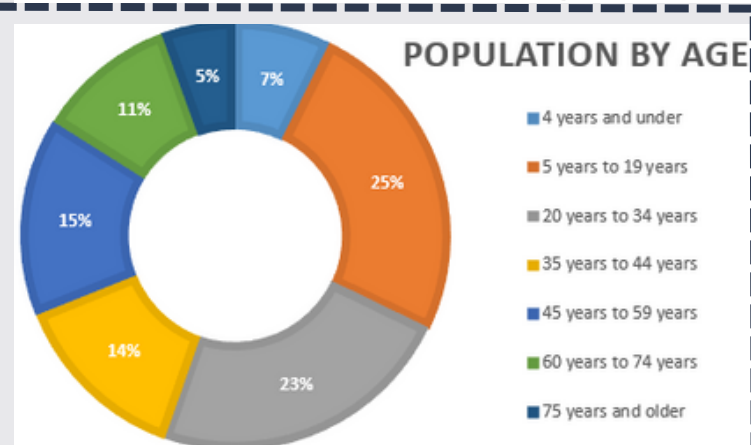
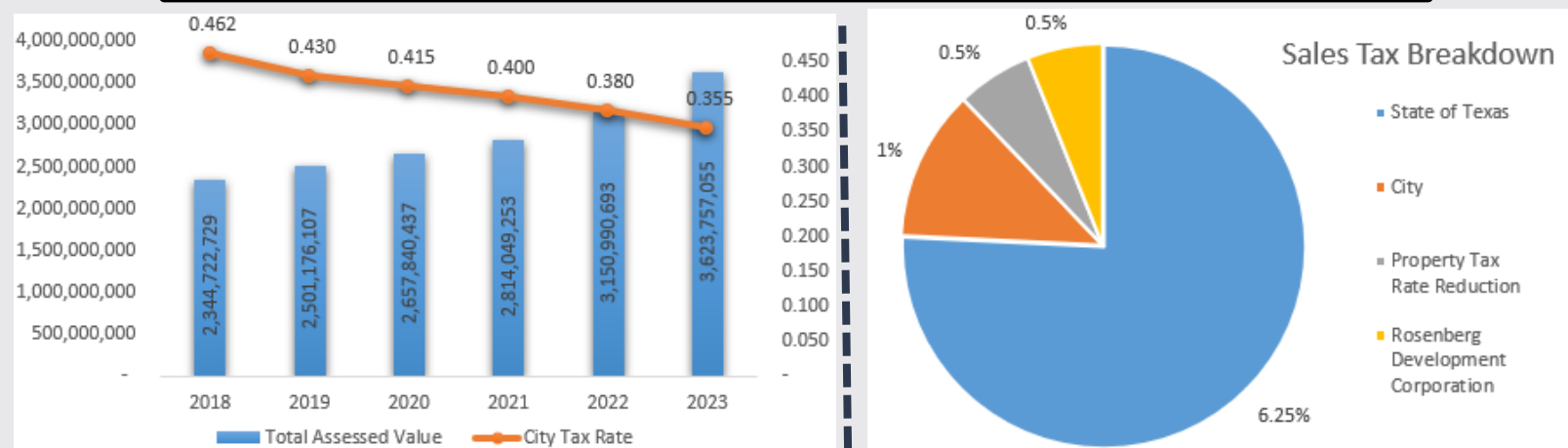
What is the Popular Annual Financial Report?

The Popular Annual Financial Report (PAFR) is intended to summarize and simplify the statistical, economic and financial information contained in the 2023 Annual Comprehensive Financial Report (ACFR). The ACFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was independently audited by Belt Harris Pechacek, LLLP. The PAFR, while unaudited, provides a brief analysis of where the City's revenues come from and where the dollars are spent as well as trends and details on the local economy. It is presented as a means of increasing public awareness about the City's financial condition through a more user-friendly presentation. Most of the financial information this report refers to our operating accounts, not all individual funds and component unit funds.

For a more detailed, GAAP basis, full disclosure review of the individual funds and component units' financial statements, please refer to the City's ACFR that is accessible through the City's website: rosenbergtx.gov/609/Traditional-Finances.



Demographics & Quick Facts



- ### Principal Property Tax Payers
1. Brazos TC - Partnership A, LP
 2. RH Town Center LLC
 3. Dolce Rosenberg Master LLC
 4. Continental 453 Fund LLC
 5. GSSW Brazos Ranch LLC
 6. Aldi (Texas) LLC
 7. Brazos TC - South Partnership A LP
 8. 3101 Place Acquisition
 9. CenterPoint Energy Electric
 10. Dollar Tree Distribution

- ### Principal Employers
1. Lamar Consolidated ISD
 2. Texana Center
 3. Frito-Lay
 4. Fort Bend County Annex
 5. Dollar Tree
 6. City of Rosenberg
 7. Kroger
 8. Benedetinni Cabinetry
 9. Si Environmental
 10. Biotics Research

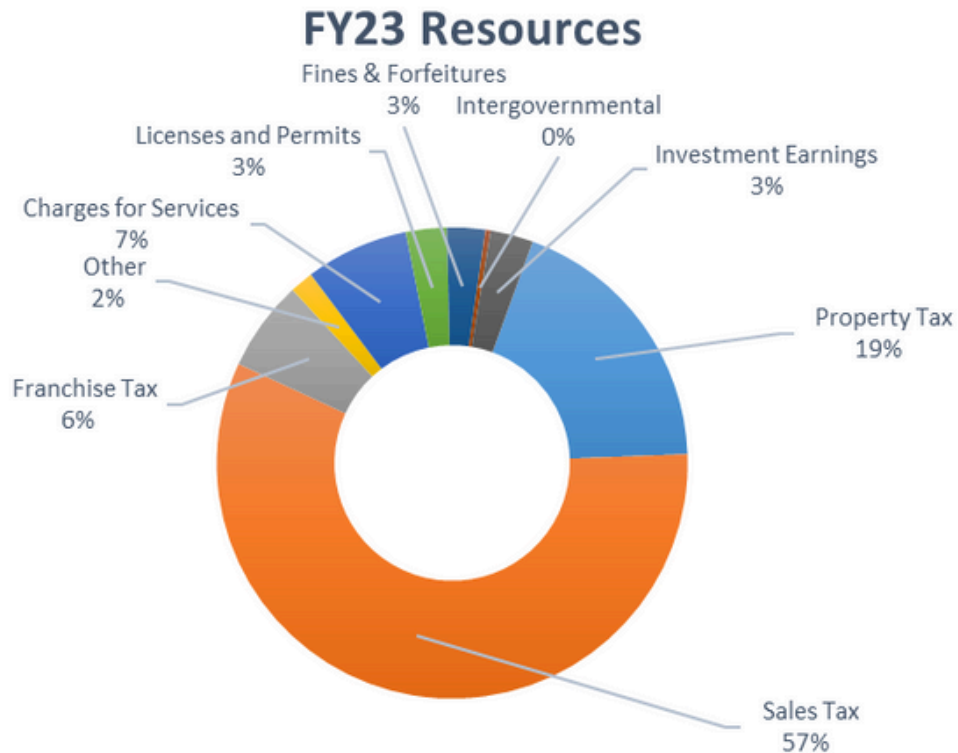
<p>Founded</p> <p>1883</p>	<p>Incorporated</p> <p>1903</p>	<p>Assessed Property Values</p> <p>3.62 Billion</p>	<p>City Tax Rate (Per \$100 Valuation)</p> <p>\$0.355</p>
<p>Median home value</p> <p>\$232,363</p>	<p>Total Households</p> <p>12,748</p>	<p>Sales Tax</p> <p>\$25.9 Million</p>	<p>Population</p> <p>40,739</p>
<p>Median Income</p> <p>\$66,875</p>	<p>Unemployment Rate</p> <p>4.5%</p>	<p>Full Time Equivalents</p> <p>303.48</p>	<p>Sanitary Sewer Miles</p> <p>175</p>
<p>Median Age</p> <p>31.2</p>	<p>Parks Acreage</p> <p>469</p>	<p>Storm Sewer Miles</p> <p>114</p>	

General Fund

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

For the fiscal year ended September 30, 2023, in excess of \$34 million in revenue was received; 57% from sales tax, which exceeded \$19.8 million. This was a decrease from FY2022 by about \$2.7 million. This decrease is due to the cost of lumber leveling off in 2023 which affected an ongoing Chapter 380 Performance Agreement with BMC Texas Sales.

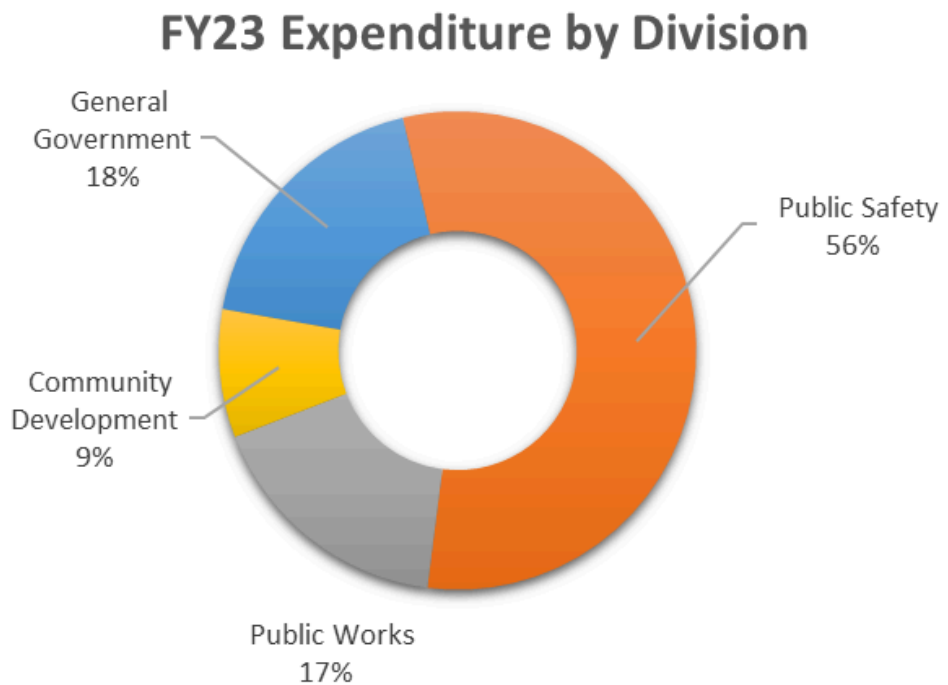
Charges for Services and Property taxes make up a combined 26% of revenue for a total of \$9 million.



A total of 56% of the City's expenditures (\$17.9 million) went to public safety. Police, fire and animal control services are reported within the public safety function.

Public Works made up 17% of the expenditures at \$5.5 million for FY23. Public works includes street maintenance, street lights, engineering, building maintenance and fleet services. Solid Waste activities were moved to a separate enterprise fund in FY23.

General government, combined with community development and capital outlay make up the remaining 27% of the expenditures incurred by the city for FY23.



General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Revenue	FY2023	FY2022	FY2021	FY2020	FY2019
Taxes:					
Property	\$ 6,506,858	\$ 7,102,489	\$ 7,642,314	\$ 6,932,397	\$ 6,806,084
Sales	19,853,684	22,465,983	18,578,297	14,701,582	14,108,795
Franchise	2,150,596	2,210,132	2,025,273	1,874,129	1,938,747
Licenses and Permits	969,545	1,330,138	1,080,977	1,061,522	832,679
Fines and Forfeitures	904,099	719,479	694,397	513,516	492,630
Charges for Services	2,444,345	7,313,402	6,052,961	5,586,027	5,424,756
Intergovernmental	125,131	210,200	1,695,286	2,924,458	3,042,213
Investment Revenue	1,011,398	158,412	24,912	197,224	417,719
Other Revenue	556,143	353,192	293,451	226,707	261,041
Total Revenue	\$ 34,521,799	\$ 41,863,427	\$ 38,087,868	\$ 34,017,562	\$ 33,324,664
Expenditures					
Current:					
General Government	\$ 5,959,341	\$ 5,210,866	\$ 4,951,014	\$ 4,823,488	\$ 5,399,472
Public Safety	17,899,738	16,524,956	16,636,740	17,097,006	15,783,564
Public Works	5,495,517	8,757,693	8,176,742	7,507,476	7,361,297
Community Development	2,781,077	2,866,802	2,641,641	2,584,924	2,434,540
Capital Outlay	-	-	-	308,373	608,796
Total Expenditures	\$ 32,135,673	\$ 33,360,317	\$ 32,406,137	\$ 32,321,267	\$ 31,587,669
Excess of Revenues over Expenditures	\$ 2,386,126	\$ 8,503,110	\$ 5,681,731	\$ 1,696,295	\$ 1,736,995
Other Financing Sources (Uses)					
Insurance Proceeds	\$ -	\$ 73,434	\$ 93,768	\$ 54,711	\$ 34,430
Sale of Capital Assets	-	-	-	-	10,639
Transfer In	3,144,440	2,012,159	1,899,213	1,898,940	1,726,871
Transfers Out	(6,293,922)	(8,707,279)	(7,845,205)	(2,138,522)	(6,001,041)
Total Other Financing Sources (uses)	\$ (3,149,482)	\$ (6,621,686)	\$ (5,852,224)	\$ (184,871)	\$ (4,229,101)
Net Change in Fund Balances	\$ (763,356)	\$ 1,881,424	\$ (170,493)	\$ 1,511,424	\$ (2,492,106)
Fund Balance, Beginning October 1	\$ 20,998,016	\$ 19,116,592	\$ 19,287,085	\$ 17,775,661	\$ 20,267,767
Fund Balance, Ending September 30	\$ 20,234,660	\$ 20,998,016	\$ 19,116,592	\$ 19,287,085	\$ 17,775,661

A few changes from FY2022 to FY2023 are a decrease in sales tax, which can be attributed to the decrease in the price of lumber which leveled off in FY2023, which in turn also affected a performance agreement with BFS Texas whose main sales is lumber. The decrease to Charges for Services was caused by the change in accounting for the solid waste activities which were moved to a separate enterprise fund in FY2023.

On the expenditure side, most departments were comparable to FY2022. The decrease in the public works department was caused by the change in accounting for the solid waste activities which is now in a separate enterprise fund. The City's Transfers Out primarily include one-time transfers for capital projects, road improvements, building improvements, and supplemental requests.

Your Tax Dollars at Work

Your tax dollar is divided between Lamar CISD at a rate of 61%, Fort Bend County at 22%, and the remaining 17% goes to the City of Rosenberg.



Lamar Consolidated Independent School District
61%

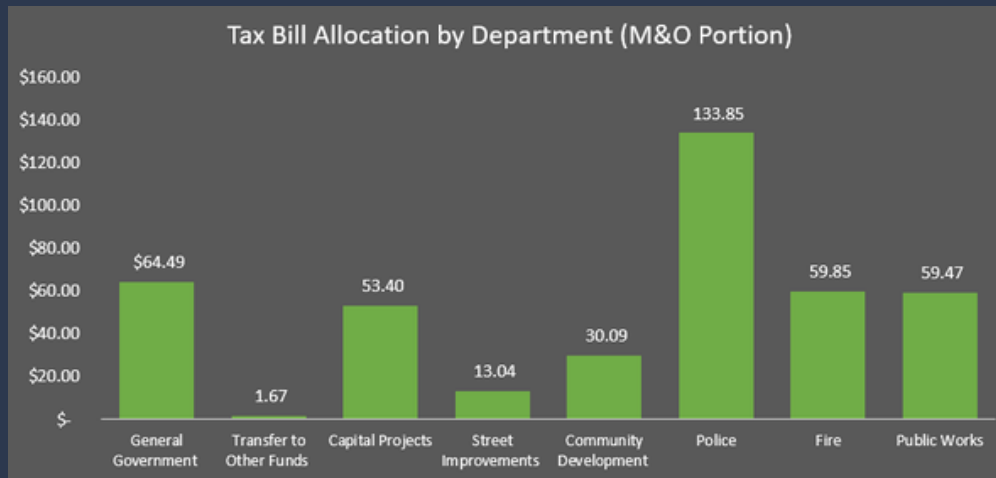
Fort Bend County
22%

City of Rosenberg
17%

Since 2010, the City has gradually reduced property taxes from \$0.51 per \$100 of assessed value to \$0.355 and increased tax exemptions for Over 65 & Disabled Persons.

The total annual residential property tax bill for a home valued at \$230,000 (without exemptions and not in a Municipal Utility District) is \$4,706.26 for FY2023, which includes Lamar CISD, Fort Bend County and the City of Rosenberg.

The city's share of the total tax bill is \$816.50 (or 17% of total bill), which also equates to \$68.04 a month! Of the city's \$816.50 tax bill, \$400.65 is allocated for debt service and \$415.85 for maintenance & operations. The chart shows the M&O portion of the tax bill and how it was spent for FY2023 by department in the General Fund.



Rosenberg's tax rate was \$0.355 cents per \$100 of assessed valuation for FY2023. The total tax rate includes \$0.180805 cents for maintenance and operations (M&O) and \$0.174195 cents for debt service (I&S). Our certified property tax base for FY2023 is \$3.62 billion.

The city offers a \$75,000 exemption for disabled persons and a \$75,000 exemption for seniors over 65. The city also increased the homestead exemption to the greater of 20% of valuation or \$5,000. This increase to the homestead exemption alleviates some of the tax burden to those citizens who call Rosenberg their home.

Water & Wastewater Fund

Statement of Revenues, Expenses, and Changes in Fund Net Position

Operating Revenues	FY2023	FY2022	FY2021	FY2020	FY2019
Water	\$ 16,856,744	\$ 16,611,104	\$ 13,942,592	\$ 11,787,702	\$ 13,148,547
Sewer	7,221,080	6,683,063	6,042,403	5,173,638	5,177,370
Lease revenue	225,629	211,242	-	-	-
Charges for Services	50,750	54,534	244,575	299,844	227,004
Total Operating Revenues	\$ 24,354,203	\$ 23,559,943	\$ 20,229,570	\$ 17,261,184	\$ 18,552,921
Operating Expenses					
Cost of sales and services	\$ 13,808,248	\$ 11,920,742	\$ 11,552,171	\$ 11,253,458	\$ 10,619,939
Community Development	-	-	-	-	646,500
Depreciation	2,904,217	2,794,638	2,479,149	2,317,395	2,260,102
Total Operating Expenses	\$ 16,712,465	\$ 14,715,380	\$ 14,031,320	\$ 13,570,853	\$ 13,526,541
Operating Income	\$ 7,641,738	\$ 8,844,563	\$ 6,198,250	\$ 3,690,331	\$ 5,026,380
Non-Operating Revenues (Expenses)					
Intergovernmental	\$ -	\$ 93,597	\$ 492,604	\$ 459,708	\$ 1,336,750
Investment Earnings	1,624,193	227,330	37,666	327,478	626,353
Interest Expense and fiscal charges	-	(2,826)	(24,882)	(43,687)	(60,053)
Total Non-Operating Revenues (Exp)	\$ 1,624,193	\$ 318,101	\$ 505,388	\$ 743,499	\$ 1,903,050
Income Before Capital Contributions and Transfers	\$ 9,265,931	\$ 9,162,664	\$ 6,703,638	\$ 4,433,830	\$ 6,929,430
Capital contribution-capital assets	\$ 1,615,711	\$ 283,811	\$ -	\$ -	\$ -
Transfers In	-	2,008,596	683,518	5,209,951	6,202,590
Transfers Out	(2,107,000)	(5,863,146)	(6,730,933)	(4,371,303)	(4,837,288)
Change In Net Position	\$ 8,774,642	\$ 5,591,925	\$ 656,223	\$ 5,272,478	\$ 8,294,732
Net Position, Beginning October 1	\$ 105,335,450	\$ 99,743,525	\$ 99,087,302	\$ 93,814,824	\$ 85,520,092
Net Position, Ending September 30	\$ 114,110,092	\$ 105,335,450	\$ 99,743,525	\$ 99,087,302	\$ 93,814,824

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

For FY2023, the City's water and sewer system revenue exceeded \$24.3 million. Operating revenues were comparable to FY2022 while investment earnings increased due to the higher yields.

Total operating expenses were \$16.7 million, which is slightly higher than FY2022 due to the increase in cost of services and inflation.

Summary of Net Position

Summary Statement of Net Position - 5 year Analysis

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets	\$ 333,786,217	\$ 315,094,910	\$ 292,889,599	\$ 278,024,084	\$ 275,861,567
Deferred Outflows of Resources	9,494,395	4,671,617	6,065,026	7,753,253	5,265,914
Liabilities	85,848,616	95,823,652	110,666,730	111,047,324	115,099,012
Deferred Inflows of Resources	8,258,249	14,806,984	3,153,043	3,650,418	1,459,275
Net Position					
Net Investment in Capital Assets	160,267,688	150,952,053	142,563,019	129,106,338	112,086,265
Restricted	28,965,294	22,977,203	19,353,646	20,375,159	20,039,074
Unrestricted	41,681,453	35,206,635	23,218,187	21,598,098	32,443,855
Total Net Position	\$ 230,914,435	\$ 209,135,891	\$ 185,134,852	\$ 171,079,595	\$ 164,569,194

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

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The City's combined net position is \$230.9 million as of September 30, 2023, which consists of \$116.7 million in governmental activities and \$114.3 million in business-type activities. This increase in Net Position of 10% compared to FY2022 is a good indication the City's financial position is improving each year as shown above.



Departmental Accomplishments

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

The City of Rosenberg is committed to the long-term financial stability and sustainability of the city government. Departmental services are prioritized to ensure that they are addressed through the budget process and streamlined for efficiency and cost-effectiveness. The City of Rosenberg's FY2023 Adopted Budget was approximately \$101.7 million. With these funds, the City is able to maintain a high quality of life for residents. Here are just a few examples of our budget in action.

Animal Control & Shelter:

563 Pet
adoptions

98%
Live Release
Rate

1,300+
Serviced Field
Calls

Over 990
intakes

Community Development:

4,041
permits
processed

2,161 In-City
& ETJ New Lot
starts

Performed
15,702
building
inspections

2,663 Code
Enforcement
issues/cases
addressed

Economic Development:

Improved mobility
through
collaboration with
Fort Bend County

162 Business
Recruitment
Leads

Funded several
Quality of Life
Park Projects

50 Business
Retention
Visits

Departmental Accomplishments

Emergency Services: (Police & Fire)

Received 170,890
calls to public
safety dispatch

6,781 Fire
Responses

Purchased a
New Fire
Truck

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

Finance:

Implemented
City's first-
ever Digital
Budget Book

30th consecutive
year receiving the
Budget
Presentation
Award

\$25,910,356
Total Sales Tax
Collected (City
and RDC)

Homestead
Exemption
Increased to 20%
of valuation

Parks & Civic Center:

LED Lighting
Improvements to
Sunset and Travis
Parks

Completion and
Opening of Splash
Pad at Travis Park

Designated "Film
Friendly" City by
Texas Governor

858
Civic Center
Rentals

Public Works & Utilities:

Overlaid
6.63miles of
streets

870 Trees
Trimmed

10,322 Acres
Mowed in
Right of -Ways

Rated Superior
Public Works
Water System by
TCEQ for 2022

Public Services:

29,600 Inquires
to Citizens
Relations

693,082
Website Pages
Visited

Processed 2,182
New Water
Accounts

Improved Water
Tower Square in
Downtown
Rosenberg

glossary of Terms

- **Assets** - What the City Owns
- **Business-Type Activity** - These activities are intended to recover all or most of their costs through user fees and charges. These activities include water, sewer and civic center.
- **Deferred Inflows** - Refers to an acquisition of an asset that is applicable to a future reporting period
- **Deferred Outflows** - Refers to consumption of an asset that is applicable to a future reporting period
- **Fund Balance** - The net ending balance of a Fund's financial resources that are spendable or available for appropriation.
- **Government Activity** - Activities generally financed through taxes, intergovernmental revenues, and other nonexchange revenues.
- **Liabilities** - What the city owes
- **Net Position** - Difference between assets and liabilities





City of Rosenberg
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P.O. Box 32
Rosenberg, TX 77471

Phone: 832-595-3350
finance@rosenbergtx.gov

Rosenberg
TEXAS