

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF ROSENBERG

FISCAL YEAR ENDED SEPTEMBER 30, 2025



Rosenberg
TEXAS

CITY OF ROSENBERG, TEXAS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**For the Year Ended
September 30, 2025**

**Prepared by
Joyce Vasut, CPA
City Manager**

**Luis Garza, CGFO
Director of Finance**

CITY OF ROSENBERG, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
TABLE OF CONTENTS

	<u>Page</u>	<u>Table/ Exhibit</u>
INTRODUCTORY SECTION		
Letter of Transmittal	i	
Organizational Chart	vii	
GFOA Certificate of Achievement	viii	
Principal City Officials	ix	
 FINANCIAL SECTION		
Report of Independent Auditors	3	
Management’s Discussion and Analysis	9	
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Position	20	
Statement of Activities	21	
Fund Financial Statements:		
Balance Sheet - Governmental Funds	22	
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	25	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	26	
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29	
Statement of Net Position - Proprietary Funds	30	
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	33	
Statement of Cash Flows - Proprietary Funds	34	
Notes to the Basic Financial Statements	37	
Required Supplementary Information		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund	78	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual RDC Projects Fund	80	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual CDBG Mitigation Drainage Improvement	81	
Schedule of Changes in Net Position Liability and Related Ratios Texas Municipal Retirement System (TMRS)	82	
Schedule of Contributions Texas Municipal Retirement System (TMRS)	84	
Schedule of Changes in Total OPEB Liability and Related Ratios Texas Municipal Retirement System – Supplemental Death Benefits	86	
Notes To Required Supplementary Information	87	
Schedule of Changes in Total OPEB Liability and Related Ratios Retiree Health Care Benefit Plan	88	
Combining and Individual Fund Statements and Schedules		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Debt Service Fund	93	
Combining Balance Sheet - Nonmajor Governmental Funds	96	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	102	

CITY OF ROSENBERG, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
TABLE OF CONTENTS (continued)

	<u>Page</u>	<u>Table/ Exhibit</u>
Combining and Individual Fund Statements and Schedules (continued)		
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual		
Nonmajor Special Revenue Funds:		
Hotel and Motel Occupancy Tax	109	
Municipal Court Technology	110	
Beautification	111	
Law Enforcement	112	
Community Development Block Grant	113	
Police Asset Forfeiture	114	
Animal Control	115	
Park Land Dedication	116	
Juvenile Case Manager	117	
Municipal Court Child Safety	118	
Municipal Court Building Security	119	
MUD Fire Services	120	
Police Federal Forfeiture	121	
Fire Station #3 Operating	122	
Cable PEG Fees	123	
Combining Statement of Net Position – Internal Service Funds	124	
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	125	
Combining Statement of Cash Flows – Internal Service Funds	126	
STATISTICAL SECTION (UNAUDITED)		
Net Position by Component	130	1
Changes in Net Position	132	2
Tax Revenues by Source, Governmental Activities	136	3
Fund Balances of Governmental Funds	138	4
Changes in Fund Balances of Governmental Funds	140	5
Tax Revenues by Source - Governmental Funds	142	6
Taxable Sales by Category	144	7
Assessed and Estimated Actual Value of Taxable Property	146	8
Property Tax Rates – Direct and Overlapping Governments	148	9
Principal Property Taxpayers	151	10
Property Tax Levies and Collections	152	11
Ratios of Outstanding Debt by Type	154	12
Ratios of General Bonded Debt Outstanding	156	13
Direct and Overlapping Governmental Activities Debt	159	14
Legal Debt Margin Information	160	15
Demographic and Economic Statistics	162	16
Principal Employers	163	17
Full-Time Equivalent City Government Employees by Function	164	18
Operating Indicators by Function	166	19
Water and Sewer Rates	168	20
Top Ten Water and Sewer Customers	169	21
Capital Asset Statistics by Function	170	22

INTRODUCTORY SECTION



March 17, 2026

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 2025 (FY2025) Annual Comprehensive Financial Report (ACFR) for the dates ranging from October 1, 2024 to September 30, 2025.

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. Whitley Penn LLP has audited the City's FY2025 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, 2025, 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 FY2025. Rosenberg experienced moderate job growth and an increase in sales tax growth when compared to FY2024. 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 an increase of approximately \$1 million from FY2024 to FY2025. While the City experienced a decrease in sales tax from FY2022 to FY2023 due to the cost of lumber leveling off, the FY2025 figure is 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 remained for the first five (5) months of FY2026 when compared to previous years.

In FY2025, the local unemployment rate showed a steady decline to a low 3.8% in April but later in the year increased incrementally to finish the fiscal year at 4.7%, which is slightly higher than the state rate of 4.1% and national rate of 4.4%. The average owner-occupied home value increased to \$253,764, up from \$109,562 in 2013, primarily due to the new home values.

The total number of permits issued for the year showed a steady trend from FY2024 to FY2025, with a total of 337 residential certificates of occupancy issued. There were 168 commercial certificates of occupancy, 81 new commercial buildings, and 43 commercial additions/remodels issued in the 2025 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 automotives.

The City grants tax abatement agreements under Chapter 380 of the Texas Local Government Code and the Property Redevelopment and Tax Abatement Act under Chapter 312 of the Texas Tax Code to provide incentives for economic development within the City limits. The agreements take two forms; ad valorem taxes and sales tax. An abatement is a flexible option compared with other economic development tools as infrastructure improvements or risky building ventures could become fixed costs. Without the abatement, it may be financially unfeasible for developers to build in the areas needed to help improve the City.

The currently active ad valorem tax agreements call for the abatement of a portion (25% to 75%) of property taxes that would normally be due on real and personal property of a specified development’s assessed value.

The sales tax abatements agreement, The Company has agreed to establish, retain, and operate regional headquarters within the City and employ a minimum of 50 full-time employees. The City and the RDC have no obligation if the aggregate City sales and use tax revenues generated by the Company, and payable to and received by the City from the State Comptroller, is less than \$3,500,000. If the applicable revenues generated exceeds \$3,500,000 for the contract year then the Company will receive a percentage of sales tax rebated from the City’s one percent, and the RDC’s one-half of one percent, of sales and use tax based on the table below. Without the sales tax abatement agreements from the City and the RDC, the Company would not have established regional operational headquarters in Rosenberg.

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%

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 (GASB) for governmental entities. These general guidelines also address the appointment of the Finance/Audit Committee and the selection of an auditor.
2. *Operating Budget* – Objectives regarding the operating budget state that revenue estimates are based on historical trends and a conservative approach. The adopted budget will be balanced with current revenues, plus fund balances. Fund balances, or reserves from operating funds at the end of each fiscal year must be maintained at 25% or more of the fund's operating expenditures (excluding non-recurring expenditures), or 90 days of total fund operating expenditures for the same fiscal year.
3. *Capital Improvements* – The City will develop and maintain a five-year CIP, which shall be reviewed (at least) annually by the City Council. The City Council shall adopt an annual capital budget based on the approved five-year CIP. This capital budget shall identify the sources of funding for each capital project authorized for the ensuing fiscal year.
4. *Debt Management* – Long-term debt shall not be incurred to finance current operations, and the City shall retire the debt within a period not to exceed the expected useful life of the project(s) or improvements being financed. The City's total debt service requirements in any fiscal year should not exceed 25% of total expenditures/expenses, and total direct debt shall not exceed 10% of the assessed value of taxable property.
5. *Financial Reporting* – An annual independent financial audit shall be performed by a properly licensed independent public accounting firm on an annual basis, and the City shall strive to receive and retain the Certificate of Achievement for Excellence in Financial Reporting, awarded annually by the Government Finance Officers Association of the United States and Canada (GFOA). Timely interim financial reports will be produced for department managers for internal purposes, and financial statements shall be prepared on a monthly basis and made available to the City Council.

FUTURE ECONOMIC OUTLOOK

The City's financial outlook is stable. Standard & Poor's rating services has assigned an 'AA-' long-term rating to Rosenberg. The rating agency commented on the City's stable financial operations, good financial management policies and practices, and healthy fund balances. 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 6% from the previous year to an appraised value of just over \$4.8 billion in FY2026. The property tax base has expanded approximately 135% since FY2016. 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 secondary entrance road to Seabourne Creek Regional Sports Complex from FM 2218.
- Funding contribution to assist the City with the expansion of the Seabourne Creek Regional Detention Basin to provide additional drainage capacity to serve future adjacent commercial development.
- Funding contribution to assist the City with the extension of Koeblen Road as a four-lane concrete thoroughfare for future planned development.
- Funding contribution to assist the City with the extension of 4th Street from Mons Avenue to Rice Street for future development.
- Continuation of a partnership with Fort Bend Transit to maintain and grow public transportation in the City and County.
- 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.
- Continuing to develop and implement strategies included in the ten-year economic development strategic plan to guide the RDC for future projects and organizational priorities.
- Continuing to offer reimbursement grants to established businesses making exterior improvements under the Business Improvement Grant Program.

AWARDS AND ACKNOWLEDGEMENTS

This report has been prepared in accordance with guidelines established by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended September 30, 2024. ***This was the 38th consecutive year that the City has received this prestigious award.*** In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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,

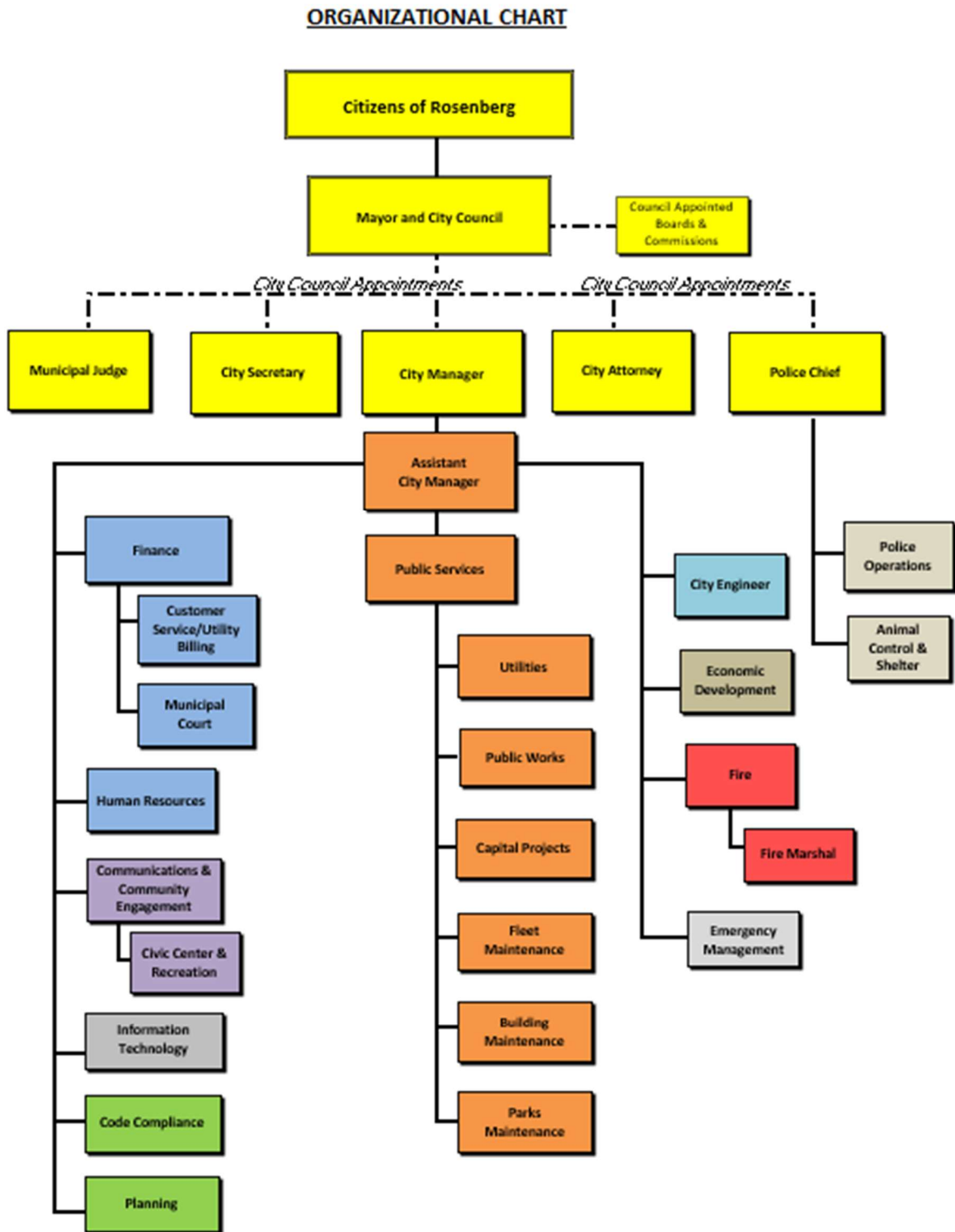


Joyce Vasut, CPA
City Manager



Luis Garza, CGFO
Director of Finance

CITY OF ROSENBERG, TEXAS
ORGANIZATIONAL CHART
 September 30, 2025





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, 2024

Christopher P. Morill

Executive Director/CEO

CITY OF ROSENBERG, TEXAS

Principal Officials

For Year Ended September 30, 2025

Elected Officials	Position	Term Expires
William Benton	Mayor	05/2026
Richard Olson	Councilor at Large, Position 1	05/2026
Jessica Jaramillo-Moreno	Councilor at Large, Position 2	05/2026
Felix Vargas Jr.	Councilor, District No. 1	05/2026
Steven DeGregorio	Councilor, District No. 2	05/2026
Hector Treviño	Councilor, District No. 3	05/2026
George Zepeda	Councilor, District No. 4	05/2026

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

City Management	Position
Rigo Calzoncin	Assistant City Manager
Harold Hankins	Assistant Director of Finance
Brian Swint	Building Official
Charles Kalkomey	City Engineer
Tanya Kveton	Director of Communications & Community Engagement
Mary Culver	Interim Director of Economic Development
Luis Garza	Director of Finance
Ashley Barnes	Director of Human Resources
Cary Lamensky	Director of Parks
Mohamed Bireima	Director of Planning
Doug Gorka	Director of Public Works
Shelton Besson	Director of Technology
Eddie De Leon	Director of Utilities
Vacant	Executive Director of Public Services
Daryl Maretka	Fire Chief



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Commission
City of Rosenberg, Texas, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the 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 City of Rosenberg, Texas, (the "City"), as of and for the year ended September 30, 2025, 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 accompanying 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, 2025, 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 (GAAS) 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 Auditor's 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

To the Honorable Mayor and
Members of the City Commission
City of Rosenberg, Texas

Auditor’s 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 auditor’s 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 GAAS 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 GAAS 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 management’s discussion and analysis, budgetary comparison schedules, pension information, and other post-employment benefits information, 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.

To the Honorable Mayor and
Members of the City Commission
City of Rosenberg, Texas

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 and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part 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 and individual fund 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 section and statistical section but does not include the basic financial statements and our auditor's 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 17, 2026, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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.



Houston, Texas
March 17, 2026



MANAGEMENT'S DISCUSSION AND ANALYSIS

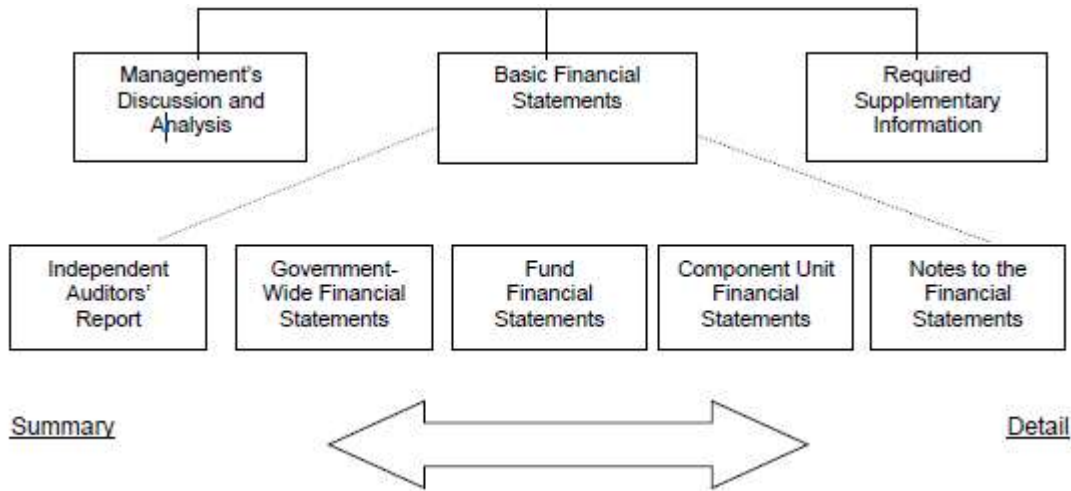


CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2025. 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

Components of the Financial Section



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)

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 29 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, the Rosenberg Development Corporation (RDC) projects fund, CDBG Mitigation Drainage Improvement fund, and 2024 general obligation capital projects fund 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)

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 governmentwide 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, RDC projects fund, and CDBG mitigation drainage improvement fund, 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 \$291,632,773 as of September 30, 2025. This compares with \$257,020,788 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)

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Net Position					
	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Assets and						
Deferred Outflows						
Assets:						
Current and other assets	\$ 144,612,346	\$ 140,373,290	\$ 58,789,936	\$ 57,006,773	\$ 203,402,282	\$ 197,380,063
Capital assets, net	142,082,749	125,968,860	88,761,932	81,816,284	230,844,681	207,785,144
Total assets	286,695,095	266,342,150	147,551,868	138,823,057	434,246,963	405,165,207
Deferred outflows of resources	8,289,192	9,269,001	879,434	1,022,380	9,168,626	10,291,381
Total Assets and						
Deferred Outflows	294,984,287	275,611,151	148,431,302	139,845,437	443,415,589	415,456,588
Liabilities and						
Deferred Inflows						
Liabilities:						
Current	27,755,994	11,582,643	8,877,455	5,255,184	36,633,449	16,837,827
Long-term	99,042,311	127,900,063	1,954,665	4,793,321	100,996,976	132,693,384
Total liabilities	126,798,305	139,482,706	10,832,120	10,048,505	137,630,425	149,531,211
Deferred inflows of resources	10,626,207	5,644,636	3,526,184	3,259,953	14,152,391	8,904,589
Total Liabilities and						
Deferred Inflows	137,424,512	145,127,342	14,358,304	13,308,458	151,782,816	158,435,800
Net Position						
Net investment in capital assets	113,449,534	95,281,252	88,681,932	81,715,284	202,131,466	176,996,536
Restricted	35,518,456	28,608,918	-	-	35,518,456	28,608,918
Unrestricted	8,591,785	6,593,639	45,391,066	44,821,695	53,982,851	51,415,334
Total Net Position	\$ 157,559,775	\$ 130,483,809	\$ 134,072,998	\$ 126,536,979	\$ 291,632,773	\$ 257,020,788

A portion of the primary government's net position, \$35,518,456 or 12%, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$53,982,851 or 19%, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$34,611,985 as compared to the prior year. Total assets increased by \$29,081,756 mainly due to excess revenues over expenses, and an increase in capital assets. Total deferred outflows of resources decreased by \$1,122,755 mainly due to changes in deferred outflows related to the other post-employment benefit plans for retiree health care and pensions. Total liabilities decreased by \$11,900,786 which was primarily due to scheduled principal payments in the retirement of long-term debt and changes in net pension liability and the other post-employment benefit plan liabilities. Total deferred inflows of resources increased by \$5,247,802 primarily due to an increase in deferred inflows related to other post-employment benefit plans for retiree health care.

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

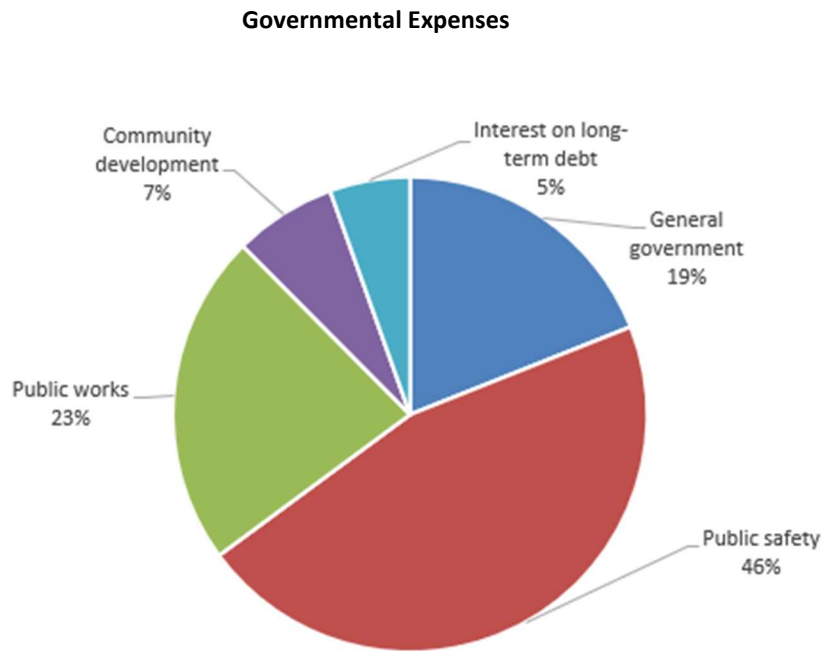
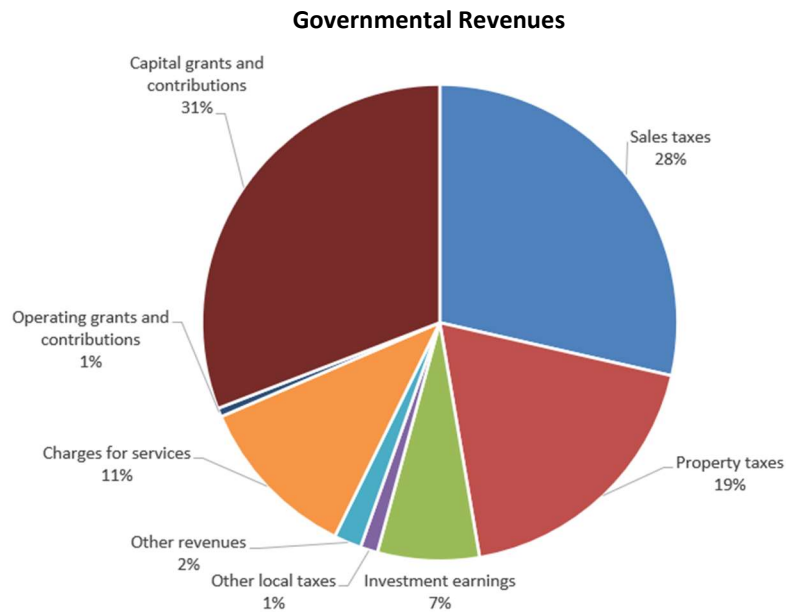
Statement of Activities

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

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for services	\$ 9,224,487	\$ 8,585,564	\$ 30,711,546	\$ 28,896,554	\$ 39,936,033	\$ 37,482,118
Operating grants and contributions	454,918	565,793	322,589	2,053,299	777,507	2,619,092
Capital grants and contributions	23,780,199	11,140,540	-	-	23,780,199	11,140,540
General Revenues:						
Property taxes	14,436,402	14,289,335	-	-	14,436,402	14,289,335
Sales Taxes	22,018,925	21,283,526	-	-	22,018,925	21,283,526
Other local taxes	908,443	688,494	-	-	908,443	688,494
Investment earnings	5,325,404	5,655,801	2,242,705	2,370,139	7,568,109	8,025,940
Other revenues	1,438,568	917,599	-	-	1,438,568	917,599
Total Revenues	77,587,346	63,126,652	33,276,840	33,319,992	110,864,186	96,446,644
Expenses						
General government	9,753,361	7,270,580	-	-	9,753,361	7,270,580
Public safety	23,588,211	22,476,887	-	-	23,588,211	22,476,887
Public works	11,637,788	11,557,224	-	-	11,637,788	11,557,224
Community development	3,580,926	3,686,913	-	-	3,580,926	3,686,913
Interest and fiscal agent fees	2,812,485	2,268,127	-	-	2,812,485	2,268,127
Water and sewer	-	-	19,555,677	17,836,188	19,555,677	17,836,188
Solid waste	-	-	4,771,059	4,538,834	4,771,059	4,538,834
Civic center rentals	-	-	572,716	705,538	572,716	705,538
Total Expenses	51,372,771	47,259,731	24,899,452	23,080,560	76,272,223	70,340,291
Increase (decrease) in net position before transfers	26,214,575	15,866,921	8,377,388	10,239,432	34,591,963	26,106,353
Transfers	861,391	(2,036,176)	(841,369)	2,036,176	20,022	-
Increase (decrease) in net position	27,075,966	13,830,745	7,536,019	12,275,608	34,611,985	26,106,353
Net Position - Beginning	130,483,809	116,653,064	126,536,979	114,261,371	257,020,788	230,914,435
Net Position - Ending	\$ 157,559,775	\$ 130,483,809	\$ 134,072,998	\$ 126,536,979	\$ 291,632,773	\$ 257,020,788

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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



For the year ended September 30, 2025, revenues from governmental activities totaled \$77,587,346, which is an increase of \$14,460,694 from the prior year, including an increase in capital grants and contributions due primarily to federal grants and an increase in total general revenues. The general revenues increased primarily due to increases in property tax revenues from an increase in property tax values, increase in sales tax revenue from an increase in economic activity.

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

For the year ended September 30, 2025, expenses from governmental activities totaled \$51,372,771, which is an increase of \$4,113,040 from the prior year primarily due to an increase in personnel costs for City employees within the general government, public safety, and public works functions.

Revenues for business-type activities totaled \$33,276,840 and decreased slightly by \$43,152. Operating expenses for business-type activities totaled \$24,899,452 and increased by \$1,818,892, which was primarily due to an increase in operation costs to provide water and sewer services.

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 \$118,654,443. Of this, \$6,058,100 is nonspendable, \$86,539,261 is restricted for various purposes, and \$13,763,794 is committed for City projects. The remaining balance of \$12,295,571 is unassigned in the general fund.

There was a net decrease in the combined fund balance of \$3,570,253 compared to the prior year, which included excess expenditures over revenues of \$4,560,192, and a net transfer in from the enterprise funds of \$841,369.

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 \$22,921,451, while total fund balance reached \$22,977,326. 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 59% of total general fund expenditures, while total fund balance represents 60% of the same amount. The general fund demonstrated an overall increase in fund balance of \$2,847,242. General fund revenues increased compared to the prior year primarily due to an increase in property tax revenues of \$941,621 from an increase in property values and an increase in sales tax revenues of \$735,399 from an increase in economic activity within the City. General fund expenditures increased compared to the prior year by \$2,981,440 largely due to an increase in payroll costs for public safety and public works. The amounts transferred out of the general fund in the current fiscal year decreased from the prior fiscal year by \$4,199,183, which was primarily due to a decrease in funds transferred to other funds for capital projects. Transfers in from other funds into the general fund increased by \$91,853, which was primarily due to an increase in transfers from the water and wastewater fund and solid waste fund for reimbursement of operational costs.

The debt service fund has a total fund balance of \$5,247,696, all of which is restricted for the payment of debt service. The fund balance for the debt service fund increased by \$94,839, which included property tax revenue, intergovernmental revenue, and investment income of \$6,065,789 along with debt service payments of \$8,227,850. The debt service revenue and expenditures for the fiscal year were consistent with the prior fiscal year with a decrease in revenues of \$534,715 and increase in expenditures of \$1,776,835.

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The RDC projects fund has a fund balance of \$12,607,924. The net increase in fund balance for the year was \$2,642,176, which includes intergovernmental revenue from the discretely presented component unit and investment revenue of \$5,817,207 and expenditures of \$1,911,705 which was primarily for capital outlay. There was an increase of \$890,710 in revenues and decrease of \$881,849 in expenditures in the RDC projects fund from prior year due to more intergovernmental revenue and less capital outlay.

The American Rescue Plan fund has a fund balance of \$1,087,664, which includes investment income on grant funds received. The City reported unearned revenue for advance grant funds of \$225,338 as of September 30, 2025. There was an decrease in intergovernmental revenue and expenditures due mainly to the conclusion of this grant.

The CDBG Mitigation Drainage Improvement fund has a deficit fund balance of \$4,632,894. The City reported unearned revenue of \$9,107,594 and prepaids of \$5,992,986 as of September 30, 2025. There was an increase in intergovernmental revenue and expenditures due to the increase in the activity of the grant.

The 2024 General Obligation fund has a fund balance of \$51,553,058 which is restricted for capital projects. The 2024 General Obligation fund was established during the prior year to track the capital project fund expenditures of the 2024 bond.

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 \$350,368 in the general fund. However, the net change in fund balance increased \$2,975,790, resulting in a positive variance of \$3,326,158 from budgeted as amended over actual. This was largely due to lower than anticipated expenditures across all functions and more than anticipated revenues.

CAPITAL ASSETS

At the end of the current year, the City's business-type and governmental activities had invested \$88,761,932 and \$142,082,749, 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 \$292,791. Total net capital assets increased by \$23,059,537 for governmental activities and business-type activities, which included depreciation expense and amortization of right-to-use assets and subscription assets of \$8,518,834.

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

- Construction in progress for drainage and water and wastewater infrastructure of \$21,439,670
- Construction in progress for roads, parks improvements and building renovations of \$8,092,383
- The completion of construction in progress for road and waterline extension of \$678,864
- The completion of construction in progress for park improvements of \$208,251
- Capital additions for public safety and public works vehicles of \$654,615

More detailed information about the City's capital assets is presented in Note 3 of the financial statements.

CITY OF ROSENBERG, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

LONG-TERM DEBT

At the end of the current year, the City's governmental activities had total general obligation bonds outstanding of \$54,615,000, certificates of obligation outstanding of \$20,355,000, leases payable of \$186,062, and liabilities from software subscription arrangements of \$129,441. Business-type activities had revenue bonds outstanding of \$80,000. The current year total combined debt is \$75,365,503 compared to \$79,242,056 in the prior year.

More detailed information about the City's long-term liabilities is presented in Note 3. of the financial statements.

Current underlying ratings on debt issues are as follows:

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

City Council approved the fiscal year 2026 budget in September 2025, with total revenues of \$106,397,045 and total expenditures of \$110,940,568. The City's adopted a tax rate for fiscal year 2026 of \$0.30 per \$100 of taxable valuation, which is \$0.02 cents less than the fiscal year 2025 tax rate of \$0.32 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.



BASIC FINANCIAL STATEMENTS

CITY OF ROSENBERG, TEXAS
STATEMENT OF NET POSITION
September 30, 2025

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and equivalents	\$ 100,771,425	\$ 8,412,368	\$ 109,183,793	\$ 10,219,517
Investments	17,100,298	-	17,100,298	-
Receivables, net of allowance for uncollectibles	5,746,715	3,801,153	9,547,868	1,274,408
Intergovernmental receivable	13,995,579	-	13,995,579	-
Receivable from component unit	632,422	-	632,422	-
Inventories	12,088	-	12,088	-
Prepaid items	6,046,012	448,593	6,494,605	19,845
Leases receivable	307,807	2,604,921	2,912,728	-
Restricted assets:				
Temporarily restricted cash and cash equivalents	-	43,522,901	43,522,901	-
Capital Assets:				
Nondepreciable capital assets	36,123,494	19,552,912	55,676,406	-
Depreciable capital assets, net	105,666,464	69,209,020	174,875,484	-
Amortizable right to use assets, net	172,883	-	172,883	-
Amortizable subscription assets, net	119,908	-	119,908	-
Total Capital Assets	142,082,749	88,761,932	230,844,681	-
Total Assets	286,695,095	147,551,868	434,246,963	11,513,770
Deferred Outflows of Resources				
Deferred charge on refunding	60,993	-	60,993	-
Pension related	5,412,992	578,543	5,991,535	-
OPEB related - SDBF	106,036	11,334	117,370	-
OPEB related - retiree health	2,709,171	289,557	2,998,728	-
Total Deferred Outflows of Resources	8,289,192	879,434	9,168,626	-
Liabilities				
Accounts payable	5,692,801	3,902,436	9,595,237	878,296
Accrued liabilities	2,032,260	397,742	2,430,002	-
Accrued interest	252,198	-	252,198	-
Unearned revenues	-	-	-	-
Customer deposits	-	2,463,314	2,463,314	-
Long-term liabilities:				
Due within one year: Bonds, leases, SBITAs, compensated absences	5,760,074	62,274	5,822,348	179,814
Due in more than one year:				
Bonds, leases, SBITAs, compensated absences	77,287,130	182,824	77,469,954	452,608
Net pension liability	15,312,522	1,636,612	16,949,134	-
Total OPEB liability - SDBF	682,585	72,955	755,540	-
Total OPEB liability - retiree health	19,778,735	2,113,963	21,892,698	-
Total Liabilities	126,798,305	10,832,120	137,630,425	1,510,718
Deferred Inflows of Resources				
Lease related	297,848	2,422,283	2,720,131	-
Pension related	1,284,481	137,286	1,421,767	-
OPEB related - SDBF	229,378	24,516	253,894	-
OPEB related - retiree health	8,814,500	942,099	9,756,599	-
Total Deferred Inflows of Resources	10,626,207	3,526,184	14,152,391	-
Net Position				
Net investment in capital assets	113,449,534	88,681,932	202,131,466	-
Restricted for:				
Debt service	5,779,949	-	5,779,949	-
Public safety	2,408,652	-	2,408,652	-
Parks	2,687,205	-	2,687,205	-
Tourism	742,528	-	742,528	-
Governmental programming	1,676,367	-	1,676,367	-
Capital projects	9,615,831	-	9,615,831	-
Community development	12,607,924	-	12,607,924	-
Unrestricted	8,591,785	45,391,066	53,982,851	10,003,052
Total Net Position	\$ 157,559,775	\$ 134,072,998	\$ 291,632,773	\$ 10,003,052

CITY OF ROSENBERG, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position			Discretely Presented Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary Government								
Governmental Activities:								
General government	\$ 9,753,361	\$ 4,817,509	\$ 404,918	\$ -	\$ (4,530,934)	\$ -	\$ (4,530,934)	\$ -
Public safety	23,588,211	1,180,541	50,000	332,936	(22,024,734)	-	(22,024,734)	-
Public works	11,637,788	2,684,816	-	23,447,263	14,494,291	-	14,494,291	-
Community development	3,580,926	541,621	-	-	(3,039,305)	-	(3,039,305)	-
Interest on long-term debt	2,812,485	-	-	-	(2,812,485)	-	(2,812,485)	-
Total Governmental Activities	51,372,771	9,224,487	454,918	23,780,199	(17,913,167)	-	(17,913,167)	-
Business-Type activities:								
Water and wastewater	19,555,677	24,763,853	322,589	-	-	5,530,765	5,530,765	-
Solid waste	4,771,059	5,684,718	-	-	-	913,659	913,659	-
Civic center rentals	572,716	262,975	-	-	-	(309,741)	(309,741)	-
Total Business-Type Activities	24,899,452	30,711,546	322,589	-	-	6,134,683	6,134,683	-
Total Primary Government	\$ 76,272,223	\$ 39,936,033	\$ 777,507	\$ 23,780,199	(17,913,167)	6,134,683	(11,778,484)	-
Discretely Presented Component Unit								
Rosenberg Development Corporation	\$ 6,469,402	\$ -	\$ -	\$ -	-	-	-	(6,469,402)
Total Component Unit	\$ 6,469,402	\$ -	\$ -	\$ -	-	-	-	(6,469,402)
General Revenues:								
Taxes:								
Property taxes					14,436,402	-	14,436,402	-
Sales and use taxes					22,018,925	-	22,018,925	6,937,398
Hotel occupancy tax					908,443	-	908,443	-
Unrestricted investment earnings					5,325,404	2,242,705	7,568,109	456,966
Miscellaneous					1,438,568	-	1,438,568	-
Transfers					861,391	(841,369)	20,022	-
Total General Revenues and Transfers					44,989,133	1,401,336	46,390,469	7,394,364
Change in net position					27,075,966	7,536,019	34,611,985	924,962
Net Position - Beginning					130,483,809	126,536,979	257,020,788	9,078,090
Net Position - Ending					\$ 157,559,775	\$ 134,072,998	\$ 291,632,773	\$ 10,003,052

CITY OF ROSENBERG, TEXAS
BALANCE SHEET GOVERNMENTAL FUNDS
September 30, 2025

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>RDC Projects Fund</u>	<u>American Rescue Plan</u>
Assets				
Cash and cash equivalents	\$ 9,788,340	\$ 5,213,312	\$ 12,684,781	\$ 1,713,198
Investments	-	-	-	-
Receivables (net of allowance for uncollectibles)	5,176,307	189,163	-	-
Due from component unit	-	632,422	-	-
Due from other funds	12,643,837	-	-	-
Prepaid items	43,787	-	-	-
Inventories	12,088	-	-	-
Leases receivable	307,807	-	-	-
Total Assets	<u>\$ 27,972,166</u>	<u>\$ 6,034,897</u>	<u>\$ 12,684,781</u>	<u>\$ 1,713,198</u>
Liabilities				
Accounts payable	\$ 2,896,845	\$ 2,750	\$ 76,857	\$ 124,292
Accrued liabilities	1,486,123	-	-	275,904
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>4,382,968</u>	<u>2,750</u>	<u>76,857</u>	<u>400,196</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	232,782	152,029	-	-
Unavailable revenue - grants	-	-	-	225,338
Unavailable revenue - court fines	81,242	-	-	-
Deferred inflows - leases	297,848	-	-	-
Receivable from component unit	-	632,422	-	-
Total Deferred Inflows of Resources	<u>611,872</u>	<u>784,451</u>	<u>-</u>	<u>225,338</u>
Fund Balances				
Nonspendable:				
Inventories	12,088	-	-	-
Prepays	43,787	-	-	-
Restricted:				
Debt service	-	5,247,696	-	-
Public Safety	-	-	-	-
Parks	-	-	-	-
Tourism	-	-	-	-
Governmental programming	-	-	-	1,087,664
Capital projects	-	-	-	-
Community development	-	-	12,607,924	-
Committed for:				
Capital projects	-	-	-	-
Community development	-	-	-	-
Unassigned	22,921,451	-	-	-
Total Fund Balances	<u>22,977,326</u>	<u>5,247,696</u>	<u>12,607,924</u>	<u>1,087,664</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 27,972,166</u>	<u>\$ 6,034,897</u>	<u>\$ 12,684,781</u>	<u>\$ 1,713,198</u>

CITY OF ROSENBERG, TEXAS
BALANCE SHEET GOVERNMENTAL FUNDS
September 30, 2025

	CDBG Mitigation Drainage Improvement	2024 General Obligation Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 22,305	\$ 35,244,126	\$ 28,462,801	\$ 93,128,863
Investments	-	17,100,298	-	17,100,298
Receivables (net of allowance for uncollectibles)	11,225,289	82,473	3,069,062	19,742,294
Due from component unit	-	-	-	632,422
Due from other funds	-	-	-	12,643,837
Prepaid items	5,992,986	-	9,239	6,046,012
Inventories	-	-	-	12,088
Leases receivable	-	-	-	307,807
Total Assets	\$ 17,240,580	\$ 52,426,897	\$ 31,541,102	\$ 149,613,621
Liabilities				
Accounts payable	\$ 122,043	\$ 828,382	\$ 1,502,657	\$ 5,553,826
Accrued liabilities	-	45,457	224,776	2,032,260
Due to other funds	12,643,837	-	-	12,643,837
Unearned revenue	-	-	-	-
Total Liabilities	12,765,880	873,839	1,727,433	20,229,923
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	-	384,811
Unavailable revenue - grants	9,107,594	-	-	9,332,932
Unavailable revenue - court fines	-	-	-	81,242
Deferred inflows - leases	-	-	-	297,848
Receivable from component unit	-	-	-	632,422
Total Deferred Inflows of Resources	9,107,594	-	-	10,729,255
Fund Balances				
Nonspendable:				
Inventories	-	-	-	12,088
Prepays	5,992,986	-	9,239	6,046,012
Restricted:				
Debt service	-	-	-	5,247,696
Public Safety	-	-	2,408,652	2,408,652
Parks	-	-	2,687,205	2,687,205
Tourism	-	-	742,528	742,528
Governmental programming	-	-	588,703	1,676,367
Capital projects	-	51,553,058	9,613,548	61,166,606
Community development	-	-	-	12,607,924
Committed for:				
Capital projects	-	-	182,866	182,866
Community development	-	-	13,580,928	13,580,928
Unassigned	(10,625,880)	-	-	12,295,571
Total Fund Balances	(4,632,894)	51,553,058	29,813,669	118,654,443
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,240,580	\$ 52,426,897	\$ 31,541,102	\$ 149,613,621



CITY OF ROSENBERG, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2025

Total Fund Balance, Governmental Funds \$ 118,654,443

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

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

Capital assets, nondepreciable	36,123,494
Capital assets, depreciable/amortizable	183,383,574
Accumulated depreciation/amortization	<u>(82,886,701)</u>
	136,620,367

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	384,811
Unavailable revenue - grants	9,332,932
Unavailable revenue - court fines	81,242
Receivable from component unit	632,422

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 'excludes internal service funds'.

Deferred outflows - pension related	5,412,992
Deferred outflows - OPEB related	2,815,207
Deferred inflows - pension related	(1,284,481)
Deferred inflows - OPEB related	(9,043,878)
Bonds payable	(74,970,000)
Compensated absences	(1,919,479)
Net pension liability	(15,312,522)
Total OPEB liability	(20,461,320)
Accrued interest payable on long-term debt	<u>(252,198)</u>
	(112,915,519)

Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Deferred amount on refunding	60,993
Premium on bonds	<u>(5,842,222)</u>
	(5,781,229)

Internal service funds are used by management to charge the cost of property insurance and employee benefits to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.

12,650,466

Net Position of Governmental Activities in the Statement of Net Position \$ 157,559,775

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2025

	General Fund	Debt Service Fund	RDC Projects Fund	American Rescue Plan
Revenues				
Property taxes	\$ 9,011,415	\$ 5,630,539	\$ -	\$ -
Sales taxes	22,018,925	-	-	-
Franchise fees	2,134,143	-	-	-
Hotel occupancy tax	-	-	-	-
Licenses and permits	1,694,828	-	-	-
Fines and forfeitures	956,243	-	-	-
Charges for services	2,285,733	-	-	-
Intergovernmental	691,478	195,926	5,353,124	2,907,678
Investment revenue	579,121	239,324	464,083	209,106
Lease revenue	19,354	-	-	-
Other revenue	401,964	-	-	-
Total Revenues	<u>\$ 39,793,204</u>	<u>\$ 6,065,789</u>	<u>\$ 5,817,207</u>	<u>\$ 3,116,784</u>
Expenditures				
Current:				
General administration	\$ 6,794,409	\$ -	\$ -	\$ -
Public safety	22,580,218	-	-	-
Public works	7,229,733	-	-	-
Community development	2,012,676	-	10,000	-
Debt Service:				
Principal	-	3,955,000	-	-
Interest and other charges	-	4,256,800	-	-
Debt issuance costs	-	16,050	-	-
Capital outlay	-	-	1,901,705	-
Total Expenditures	<u>38,617,036</u>	<u>8,227,850</u>	<u>1,911,705</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,176,168	(2,162,061)	3,905,502	3,116,784
Other Financing Sources (Uses)				
Transfers in	3,543,379	2,256,900	-	-
Transfers out	(1,743,757)	-	(1,263,326)	(2,907,678)
Total Other Financing Sources (Uses)	<u>1,799,622</u>	<u>2,256,900</u>	<u>(1,263,326)</u>	<u>(2,907,678)</u>
Net Change in Fund Balances	2,975,790	94,839	2,642,176	209,106
Fund Balances - Beginning as previously presented	<u>20,001,536</u>	<u>5,152,857</u>	<u>9,965,748</u>	<u>878,558</u>
Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning as adjusted	<u>20,001,536</u>	<u>5,152,857</u>	<u>9,965,748</u>	<u>878,558</u>
Fund Balances - Ending	<u>\$ 22,977,326</u>	<u>\$ 5,247,696</u>	<u>\$ 12,607,924</u>	<u>\$ 1,087,664</u>

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2025

	CDBG Mitigation Drainage Improvement	2024 General Obligation Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 14,641,954
Sales taxes	-	-	-	22,018,925
Franchise fees	-	-	26,477	2,160,620
Hotel occupancy tax	-	-	908,443	908,443
Licenses and permits	-	-	-	1,694,828
Fines and forfeitures	-	-	129,319	1,085,562
Charges for services	-	-	1,997,744	4,283,477
Intergovernmental	2,274,760	-	3,638,542	15,061,508
Investment revenue	60,972	2,312,536	1,191,121	5,056,263
Lease revenue	-	-	-	19,354
Other revenue	-	-	1,017,250	1,419,214
Total Revenues	\$ 2,335,732	\$ 2,312,536	\$ 8,908,896	\$ 68,350,148
Expenditures				
Current:				
General administration	\$ -	\$ -	\$ 363,126	\$ 7,157,535
Public safety	-	-	2,316,976	24,897,194
Public works	-	-	-	7,229,733
Community development	-	-	561,254	2,583,930
Debt Service:				
Principal	-	-	-	3,955,000
Interest and other charges	-	-	-	4,256,800
Debt issuance costs	-	-	-	16,050
Capital outlay	11,303,030	3,470,429	6,010,386	22,685,550
Total Expenditures	11,303,030	3,470,429	9,251,742	72,781,792
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,967,298)	(1,157,893)	(342,846)	(4,431,644)
Other Financing Sources (Uses)				
Transfers in	22,305	-	3,688,688	9,511,272
Transfers out	-	-	(2,735,120)	(8,649,881)
Total Other Financing Sources (Uses)	22,305	-	953,568	861,391
Net Change in Fund Balances	(8,944,993)	(1,157,893)	610,722	(3,570,253)
Fund Balances - Beginning as previously presented	-	52,710,951	33,515,046	122,224,696
Adjustments	4,312,099	-	(4,312,099)	-
Fund Balances - Beginning as adjusted	4,312,099	52,710,951	29,202,947	122,224,696
Fund Balances - Ending	\$ (4,632,894)	\$ 51,553,058	\$ 29,813,669	\$ 118,654,443



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, 2025**

Net Change in Fund Balances - Total Governmental Funds: \$ (3,570,253)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	20,719,540
Depreciation/amortization expense	(4,710,227)
	<u>16,009,313</u>

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. The transaction, however, does not have any effect on net position. Also, governmental funds report the effect of bond premiums, discounts and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.

Principal paid - bonds	3,955,000
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

8,968,057

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:

Accrued interest on long-term debt	1,062,246
Amortization of bond premiums/discounts and deferred amounts of refunding	418,857
Current period gain/loss on defeasance of bonds	(12,199)
Compensated absences	(304,868)

Changes in pension liabilities and related deferred outflows and inflows of resources	(282,817)
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Changes in OPEB liabilities and related deferred outflows and inflows of resources	(264,622)
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616,597

An internal service fund is used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. A portion of the change in net position of the internal service funds is included in governmental activities in the statement of activities.

1,097,252

Change in Net Position of Governmental Activities \$ 27,075,966

CITY OF ROSENBERG, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2025

	Business-type Activities				Governmental
	Water and	Solid Waste Fund	Civic Center	Total Enterprise	Internal Service
	Wastewater		Rentals Fund	Funds	Funds
	Fund				
Assets					
Current assets:					
Cash and cash equivalents	\$ 7,641,781	\$ 246,544	\$ 524,043	\$ 8,412,368	\$ 7,642,562
Receivables, net	3,482,724	318,429	-	3,801,153	-
Lease receivable	147,117	-	-	147,117	-
Prepays	448,593	-	-	448,593	-
Restricted cash and cash equivalents	43,522,901	-	-	43,522,901	-
Total current assets	55,243,116	564,973	524,043	56,332,132	7,642,562
Noncurrent assets:					
Lease receivable	2,457,804	-	-	2,457,804	-
Capital assets:					
Land and improvements	363,209	-	-	363,209	-
Construction in progress	19,189,703	-	-	19,189,703	-
Water and Sewer System:					
Buildings	2,447,823	-	-	2,447,823	-
Infrastructure	118,287,824	-	-	118,287,824	-
Vehicles, machinery, and equipment	4,602,914	-	49,817	4,652,731	9,601,234
Right-to-use lease equipment	-	-	-	-	192,770
Right-to-use software	-	-	-	-	288,152
Less accumulated depreciation/amortization	(56,178,424)	-	(934)	(56,179,358)	(4,619,774)
Total noncurrent assets	91,170,853	-	48,883	91,219,736	5,462,382
Total Assets	146,413,969	564,973	572,926	147,551,868	13,104,944
Deferred Outflows of Resources					
Deferred outflows - pensions	530,834	-	47,709	578,543	-
Deferred outflows - OPEB - SDBF	10,399	-	935	11,334	-
Deferred outflows - OPEB - retiree health	265,679	-	23,878	289,557	-
Total Deferred Outflows of Resources	\$ 806,912	\$ -	\$ 72,522	\$ 879,434	\$ -

CITY OF ROSENBERG, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2025

	Business-type Activities				Governmental
	Water and	Solid Waste Fund	Civic Center	Total Enterprise	Internal Service
	Wastewater		Rentals Fund	Funds	Funds
	Fund				
Liabilities					
Current liabilities:					
Accounts payable	\$ 3,455,706	\$ 404,395	\$ 42,335	\$ 3,902,436	\$ 138,975
Accrued liabilities	389,254	-	8,488	397,742	-
Customer deposits	2,454,356	-	8,958	2,463,314	-
Current portion of noncurrent liabilities:					
Compensated absences	40,290	-	984	41,274	-
Leases payable	-	-	-	-	48,403
SBITA payable	-	-	-	-	61,801
Bonds payable	21,000	-	-	21,000	-
Total current liabilities:	<u>6,360,606</u>	<u>404,395</u>	<u>60,765</u>	<u>6,825,766</u>	<u>249,179</u>
Noncurrent liabilities:					
Compensated absences	120,872	-	2,952	123,824	-
Leases payable	-	-	-	-	137,659
SBITA payable	-	-	-	-	67,640
Bonds payable	59,000	-	-	59,000	-
Net pension liability	1,501,649	-	134,963	1,636,612	-
Total OPEB liability - SDBF	66,939	-	6,016	72,955	-
Total OPEB liability - retiree health	1,939,635	-	174,328	2,113,963	-
Total noncurrent liabilities:	<u>3,688,095</u>	<u>-</u>	<u>318,259</u>	<u>4,006,354</u>	<u>205,299</u>
Total Liabilities	<u>10,048,701</u>	<u>404,395</u>	<u>379,024</u>	<u>10,832,120</u>	<u>454,478</u>
Deferred Inflows of Resources					
Deferred inflows - leases	2,422,283	-	-	2,422,283	-
Deferred inflows - pensions	125,965	-	11,321	137,286	-
Deferred inflows - OPEB - SDBF	22,494	-	2,022	24,516	-
Deferred inflows - OPEB - retiree health	864,409	-	77,690	942,099	-
Total Deferred Inflows of Resources	<u>3,435,151</u>	<u>-</u>	<u>91,033</u>	<u>3,526,184</u>	<u>-</u>
Net Position					
Net investment in capital assets	88,681,932	-	-	88,681,932	5,146,879
Unrestricted	45,055,097	160,578	175,391	45,391,066	7,503,587
Total Net Position	<u>\$ 133,737,029</u>	<u>\$ 160,578</u>	<u>\$ 175,391</u>	<u>\$ 134,072,998</u>	<u>\$ 12,650,466</u>



CITY OF ROSENBERG, TEXAS

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

PROPRIETARY FUND

For the Year Ended September 30, 2025

	Business-type Activities				Governmental
	Water and	Solid Waste	Civic Center	Total Enterprise	Activities
	Wastewater				Fund
	Fund	Fund	Fund	Funds	Funds
Operating Revenues					
Water service	\$ 24,763,853	\$ -	\$ -	\$ 24,763,853	\$ -
Sewer service	-	5,684,718	-	5,684,718	-
Charges for services	-	-	262,975	262,975	-
Other revenue	-	-	-	-	7,284,558
Total Operating Revenues	<u>24,763,853</u>	<u>5,684,718</u>	<u>262,975</u>	<u>30,711,546</u>	<u>7,284,558</u>
Operating Expenses					
Personnel services	3,169,365	-	275,034	3,444,399	-
Supplies and materials	879,722	-	9,715	889,437	-
Contractual Services	8,487,488	-	1,230	8,488,718	-
Repairs and Maintenance	4,108,669	4,771,059	285,803	9,165,531	5,693,099
Depreciation and amortization	2,910,433	-	934	2,911,367	754,809
Total Operating Expenses	<u>19,555,677</u>	<u>4,771,059</u>	<u>572,716</u>	<u>24,899,452</u>	<u>6,447,908</u>
Operating Income (Loss)	<u>5,208,176</u>	<u>913,659</u>	<u>(309,741)</u>	<u>5,812,094</u>	<u>836,650</u>
Nonoperating Revenues (Expenses)					
Intergovernmental	322,589	-	-	322,589	-
Investment earnings	2,177,075	44,700	20,930	2,242,705	269,141
Interest expense	-	-	-	-	(8,539)
Total Nonoperating Revenues (Expenses)	<u>2,499,664</u>	<u>44,700</u>	<u>20,930</u>	<u>2,565,294</u>	<u>260,602</u>
Income (Loss) Before Transfers	7,707,840	958,359	(288,811)	8,377,388	1,097,252
Transfers in	4,580,987	-	385,000	4,965,987	-
Transfers out	(4,907,356)	(900,000)	-	(5,807,356)	-
Change in Net Position	7,381,471	58,359	96,189	7,536,019	1,097,252
Net Position - Beginning	<u>126,355,558</u>	<u>102,219</u>	<u>79,202</u>	<u>126,536,979</u>	<u>11,553,214</u>
Net Position (Deficit) - Ending	<u>\$ 133,737,029</u>	<u>\$ 160,578</u>	<u>\$ 175,391</u>	<u>\$ 134,072,998</u>	<u>\$ 12,650,466</u>

CITY OF ROSENBERG, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2025

	Business-type Activities			Governmental	
	Water and Wastewater Fund	Solid Waste Fund	Civic Center Rentals Fund	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 24,772,844	\$ 5,659,074	\$ 264,010	\$ 30,695,928	\$ 7,284,558
Payments to employees	(2,970,028)	-	(341,729)	(3,311,757)	-
Payments to suppliers	(11,810,687)	(5,507,294)	(307,119)	(17,625,100)	(5,675,308)
Net Cash Provided (Used) by Operating Activities	<u>9,992,129</u>	<u>151,780</u>	<u>(384,838)</u>	<u>9,759,071</u>	<u>1,609,250</u>
Cash Flows from Noncapital Financing Activities					
State contract receipts	322,589	-	-	322,589	-
Transfers from other funds	4,580,987	-	385,000	4,965,987	-
Transfers to other funds	(4,907,356)	(900,000)	-	(5,807,356)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(3,780)</u>	<u>(900,000)</u>	<u>385,000</u>	<u>(518,780)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition and construction of capital assets	(9,842,182)	-	(14,833)	(9,857,015)	(666,615)
Principal paid on bonds	(21,000)	-	-	(21,000)	-
Principal payments on leases	-	-	-	-	(35,681)
Principal payments on SBITAs	-	-	-	-	(57,642)
Interest paid on capital related debt	-	-	-	-	(8,539)
Net cash Provided (Used) by Capital and Related Financing Activities	<u>(9,863,182)</u>	<u>-</u>	<u>(14,833)</u>	<u>(9,878,015)</u>	<u>(768,477)</u>
Cash Flows from Investing Activities					
Interest on investments	2,177,075	44,700	20,930	2,242,705	269,141
Net Cash Provided (Used) by Investing Activities	<u>2,177,075</u>	<u>44,700</u>	<u>20,930</u>	<u>2,242,705</u>	<u>269,141</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,302,242	(703,520)	6,259	1,604,981	1,109,914
Beginning Cash and Cash Equivalents	48,862,440	950,064	517,784	50,330,288	6,532,648
Ending Cash and Cash Equivalents	<u>\$ 51,164,682</u>	<u>\$ 246,544</u>	<u>\$ 524,043</u>	<u>\$ 51,935,269</u>	<u>\$ 7,642,562</u>
Reconciliation to the Statement of Net Position - Proprietary Funds					
Unrestricted cash and cash equivalents	\$ 7,641,781	\$ 246,544	\$ 524,043	\$ 8,412,368	\$ 7,642,562
Restricted cash and cash equivalents	43,522,901	-	-	43,522,901	-
	<u>\$ 51,164,682</u>	<u>\$ 246,544</u>	<u>\$ 524,043</u>	<u>\$ 51,935,269</u>	<u>\$ 7,642,562</u>

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended September 30, 2025

	Business-type Activities				Governmental
	Water and Wastewater Fund	Solid Waste Fund	Civic Center Rentals Fund	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ 5,208,176	\$ 913,659	\$ (309,741)	\$ 5,812,094	\$ 836,650
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization expense	2,910,433	-	934	2,911,367	754,809
(Increase) decrease in assets					
Changes in Operating Assets and Liabilities:					
Increase (decrease) in assets:					
Accounts receivable, net	(298,205)	(25,644)	-	(323,849)	-
Prepays	(26,380)	-	-	(26,380)	4,033
Change in lease receivable	172,047	-	-	172,047	-
Deferred outflows - pensions	53,156	-	13,332	66,488	-
Deferred outflows - OPEB - SDBF	5,267	-	703	5,970	-
Deferred outflows - OPEB - retiree health	60,294	-	10,194	70,488	-
Increase (decrease) in liabilities:					
Accounts payable	1,902,298	(736,235)	(10,371)	1,155,692	13,758
Accrued liabilities	218,075	-	(1,643)	216,432	-
Compensated absences	24,290	-	(6,150)	18,140	-
Customer deposits	135,149	-	1,035	136,184	-
Deferred inflows - leases	(210,726)	-	-	(210,726)	-
Net pension liability	(129,725)	-	(35,556)	(165,281)	-
Total OPEB liability - SDBF	(2,239)	-	(1,215)	(3,454)	-
Total OPEB liability - retiree health	(475,034)	-	(78,064)	(553,098)	-
Deferred inflows - pensions	76,060	-	6,105	82,165	-
Deferred inflows - OPEB - SDBF	(4,227)	-	(771)	(4,998)	-
Deferred inflows - OPEB - retiree health	373,420	-	26,370	399,790	-
Net Cash Provided (Used) by Operating Activities	\$ 9,992,129	\$ 151,780	\$ (384,838)	\$ 9,759,071	\$ 1,609,250
Non-cash Capital and Related Financing Activities					
Issuance of debt - leases	\$ -	\$ -	\$ -	\$ -	\$ (192,770)



CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

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.

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.

CITY OF ROSENBERG, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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.

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.

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

The City reports the following governmental funds:

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

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

The *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 CDBG Mitigation Drainage Improvement fund, RDC Projects fund, the American Rescue Plan fund, and the 2024 General Obligation fund that are considered major funds for reporting purposes.

CITY OF ROSENBERG, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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.

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.

CITY OF ROSENBERG, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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

Cash and Cash Equivalents: The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

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

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 and statewide investment pools.

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.

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued):

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.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Infrastructure is not held to the \$5,000 limit; all infrastructure is capitalized regardless of cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Property, plant, and equipment of the primary government 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
Right-to-use lease asset	Lease term
Subscription assets	Subscription term

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.

CITY OF ROSENBERG, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued):

- 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.

Compensated Employee Absences: A liability is recognized for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is recognized as incurred in the government-wide and proprietary fund financial statements. In governmental funds, a liability is recorded only when the obligation has matured due to employee resignations or retirements. Salary-related benefits are included in the liability, where applicable.

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.

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 governmentwide 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.

CITY OF ROSENBERG, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued):

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.

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.

CITY OF ROSENBERG, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued):

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 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.

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.

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.

CITY OF ROSENBERG, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued):

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

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

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

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

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.

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.

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, 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.

CITY OF ROSENBERG, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued):

Revenues and Expenditures/Expenses:

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.

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.

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 recognize 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.

Note 2 - 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, 2024. 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, animal control 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.

Note 3 - Detailed Notes on All Funds

Deposits and Investments: As of September 30, 2025, the carrying amount of the City's and the component unit's deposits in a checking account was \$8,850,599 and \$302,902. The total bank balance for the checking account was \$10,311,341. The cash deposits held in a checking account as of September 30, 2025, and during the year ended September 30, 2025, were initially covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's and component unit's name.

The City is required by Government Code Chapter 2256, the Public Funds Investment Act (the "Act"), to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

CITY OF ROSENBERG, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on All Funds (continued)

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the City adhered to the requirements of the Act. Additionally, investment practices of the City were in accordance with local policies.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions: 1) obligations of the U.S. Treasury, U.S. agencies, and the State; 2) certificates of deposit; 3) certain municipal securities; 4) securities lending program; 5) repurchase agreements; 6) bankers' acceptances; 7) mutual funds; 8) investment pools; 9) guaranteed investment contracts; and 10) commercial paper.

As of September 30, 2025, the City had the following cash equivalents and investments:

<u>Cash Equivalents/Investment Type</u>	<u>Fair Value / Amortized Cost</u>	<u>Weighted Average Maturity (Days)</u>	<u>Fair Value Measurement</u>	<u>S&P Credit Quality Rating</u>
Primary Government				
Local Government Investment Pools:				
Texas CLASS	\$ 18,280,529	43	N/A	AAAm
Texpool	48,557,710	41	N/A	AAAm
LOGIC	60,179,272	54	N/A	AAAm
First Public - Lonestar	8,864,763	23	N/A	AAAm
Investment Securities:				
Federal Farm Credit Banks Funding Corp	3,996,468	32	Level 2	AA+
Federal Home Loan Banks	4,511,656	32	Level 2	AA+
Federal National Mortgage Association	999,631	40	Level 2	AA+
US Treasury Notes	15,566,364	56	Level 2	AA+
Total Cash Equivalents/Investments	<u>\$ 160,956,393</u>			
Component Unit:				
Texpool	\$ 9,916,615	41	N/A	AAAm
Total Cash Equivalents	<u>\$ 9,916,615</u>			

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.

CITY OF ROSENBERG, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on All Funds (continued)

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 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, 2025, 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, 2025, 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 THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on All Funds (continued)

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.

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, CDBG Mitigation Drainage Improvement fund, the 2024 General Obligation Fund, the nonmajor governmental funds in the aggregate, the proprietary funds, and the component unit, including the applicable allowances for uncollectible accounts.

	Governmental Funds				Proprietary Funds			Component Unit
	General Fund	Debt Service Fund	CDBG Mitigation Drainage Improvement	2024 General Obligation Fund	Non-Major Governmental Funds	Water and Wastewater	Solid Waste	
Property taxes	\$ 232,031	\$ 206,060	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and other taxes	3,847,883	-	-	-	-	-	-	-
Franchise taxes	113,430	-	-	-	365,296	-	-	-
Intergovernmental	66,524	-	11,225,289	-	2,703,766	-	-	1,274,408
Accounts receivable	389,646	-	-	-	-	906,925	-	-
Other receivables	643,895	-	-	82,473	-	2,613,501	318,429	-
Courts	1,183,297	-	-	-	-	-	-	-
Gross Receivables	6,476,706	206,060	11,225,289	82,473	3,069,062	3,520,426	318,429	1,274,408
Less allowance	(1,300,399)	(16,897)	-	-	-	(37,702)	-	-
	<u>\$ 5,176,307</u>	<u>\$ 189,163</u>	<u>\$ 11,225,289</u>	<u>\$ 82,473</u>	<u>\$ 3,069,062</u>	<u>\$ 3,482,724</u>	<u>\$ 318,429</u>	<u>\$ 1,274,408</u>

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on All Funds (continued)

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, 2025, the City’s total lease revenue from the Agreements was \$216,307, 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 September 30	General Fund			Amortization of Deferred Inflows
	Lease Receipts			
	Principal	Interest	Total	
2026	\$ 16,842	\$ 984	\$ 17,826	\$ 20,660
2027	17,433	928	18,361	20,660
2028	18,042	870	18,912	20,660
2029	18,669	810	19,479	20,660
2030	19,316	748	20,064	20,660
2031 - 2035	106,988	2,729	109,717	103,300
2036 - 2040	110,517	835	111,352	91,248
Total	\$ 307,807	\$ 7,904	\$ 315,711	\$ 297,848

Fiscal Year Ending September 30	Waste and Wastewater Fund			Amortization of Deferred Inflows
	Lease Receipts			
	Principal	Interest	Total	
2026	\$ 147,117	\$ 12,422	\$ 159,539	\$ 190,042
2027	121,019	11,675	132,694	167,777
2028	126,221	11,100	137,321	156,799
2029	131,612	10,500	142,112	156,799
2030	137,199	9,875	147,074	156,799
2031 - 2035	777,184	39,034	816,218	783,995
2036 - 2040	950,720	18,987	969,707	783,995
2041	213,849	1,016	214,865	26,077
Total	\$ 2,604,921	\$ 114,609	\$ 2,719,530	\$ 2,422,283

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on All Funds (continued)

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

General government	\$	316,714
Public safety		1,040,656
Public works		3,859,266
Community services		390,833
Total Governmental Activities	\$	<u>5,607,469</u>

*Includes depreciation and amortization expense reported within the internal service fund of \$754,809 that is allocated between the governmental functions.

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

	Primary Government				Ending Balance
	Beginning Balance	Increases	(Decreases)/ Reclassifications	Transfers from CIP	
Business-type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 363,209	\$ -	\$ -	\$ -	\$ 363,209
Construction in progress	9,596,708	9,780,079	-	(187,084)	19,189,703
Total Capital Assets, Not Being Depreciated:	<u>9,959,917</u>	<u>9,780,079</u>	<u>-</u>	<u>(187,084)</u>	<u>19,552,912</u>
Other Capital Assets:					
Water and sewer system	120,548,563	-	-	187,084	120,735,647
Vehicles, machinery and equipment	4,575,797	76,934	-	-	4,652,731
Total Other Capital Assets	<u>125,124,360</u>	<u>76,934</u>	<u>-</u>	<u>187,084</u>	<u>125,388,378</u>
Less Accumulated Depreciation:					
Water and sewer system	(50,333,342)	(2,692,901)	-	-	(53,026,243)
Vehicles, machinery and equipment	(2,934,651)	(218,464)	-	-	(3,153,115)
Total Accumulated Depreciation	<u>(53,267,993)</u>	<u>(2,911,365)</u>	<u>-</u>	<u>-</u>	<u>(56,179,358)</u>
Other Capital Assets, Net	<u>71,856,367</u>	<u>(2,834,431)</u>	<u>-</u>	<u>187,084</u>	<u>69,209,020</u>
Business-type Activities Capital Assets, Net	<u>\$ 81,816,284</u>	<u>\$ 6,945,648</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,761,932</u>
					(80,000)
					<u>\$ 88,681,932</u>

Depreciation was charged to business-type functions as follows:

Water and Wastewater	\$	<u>2,911,365</u>
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CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on All Funds (continued)

Construction in progress and other significant commitments under related construction contracts that were in progress or that were partially completed at year end are as follows:

Project Description	Total Project Cost*	Remaining Commitment
Governmental Activities:		
American Rescue Plan Act (ARPA) Infrastructure	\$ 10,160,820	\$ 875,462
Benton Rd County Mobility	6,145,000	5,401,344
CDBG-MIT Drainage Infrastructure Improvements	53,010,500	37,163,972
Cummings/Baker Road Extension	1,250,000	1,134,135
Emergency Services Complex	18,500,000	16,636,172
Public Services Complex	33,000,000	31,102,563
Fire Station No. 1 Reconstruction	7,027,253	3,579,246
Koeblen Road Project (SH36 at Band to FM2218)	11,473,940	10,981,688
Koeblen Road Project (FM2218 to City Limits)	5,542,795	3,492,795
Railroad Quiet Zones	1,915,000	158,436
Street Improvements	3,850,000	2,081,221
Animal Control Storage & Quarantine Building	357,500	50,610
Animal Control Parking Lot & Lighting Project	100,000	23,910
Animal Control Generator Project	151,281	4,000
Nature Center	385,000	97,450
Seabourne Creek Sports Complex - FM 2218 Entrance	830,000	724,041
Seabourne Creek Sports Complex - Additional Parking	400,000	400,000
4th Street Extension Project	500,000	430,920
Brazos Town Center I & II Connector Rd	925,000	925,000
Seabourne Creek Detention Basin Expansion	600,000	189,439
US 90A Corridor Revitalization	2,750,000	2,719,078
New Sidewalks - RDC	250,000	144,303
Sidewalk Improvements - City	300,000	76,971
Total Governmental Activities	\$ 159,424,089	\$ 118,392,756
Business-type Activities:		
CDBG North Side Water Imp-Phase VIII	\$ 1,809,881	\$ 1,341,598
Interstate 69 Waterline Extension	3,193,436	1,674,412
Waterline Koeblen Road Interconnect	756,000	756,000
SCADA Project	101,347	101,347
Water Well No. 11 # Water Plant 8 & GST	12,830,000	9,069,217
Water Well No. 12 # Water Plant 9	13,192,000	11,852,258
I-69 Waterline Extension FY19	3,193,436	1,674,412
Highway 36 Utility Relocation	5,226,542	4,857,171
Clarifier Rehab	1,200,000	1,119,173
Water Loop (Ricefield, Benton and Koeblen)	1,875,000	71,267
Recoat EST #1 (Downtown)	270,000	148,397
WWTP #2 Collection System Line Replacement	500,000	500,000
WWTP #3 Expansion	7,145,000	6,921,550
Total Business-Type Activities	\$ 51,292,642	\$ 40,086,802

*Governmental activities project cost includes costs that were reclassified from governmental activities construction in progress to depreciable capital assets and to business-type activities construction in progress.

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on All Funds (continued)

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>Increases</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due With in One Year</u>
Governmental Activities					
Direct borrowings/placements:					
General obligation bonds	\$ 56,955,000	\$ -	\$ (2,340,000)	\$ 54,615,000	\$ 3,515,000
Certificates of obligation	21,970,000	-	(1,615,000)	20,355,000	1,655,000
Bond issuance premiums/discounts	6,261,079	-	(418,857)	5,842,222	-
	<u>85,186,079</u>	<u>-</u>	<u>(4,373,857)</u>	<u>80,812,222</u>	<u>5,170,000</u>
Other Liabilities:					
Leases payable	28,973	192,770	(35,681)	186,062	48,403
SBITAs	187,083	-	(57,642)	129,441	61,801
Net pension liability	16,207,145	-	(894,623)	15,312,522	-
Total OPEB liability - SDBF	687,261	-	(4,676)	682,585	-
Total OPEB liability - retiree health	23,988,911	-	(4,210,176)	19,778,735	-
Compensated absences	1,614,611	304,868	-	1,919,479	479,870
Total Governmental Activities	<u>\$ 127,900,063</u>	<u>\$ 497,638</u>	<u>\$ (9,576,655)</u>	<u>\$ 118,821,046</u>	<u>\$ 5,760,074</u>

Long-term debt due in more than one year \$ 113,060,972
*Debt associated with governmental activities capital assets \$ 81,127,725

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due With in One Year</u>
Business-type Activities					
Direct borrowings/placements:					
Revenue bonds	\$ 101,000	\$ -	\$ (21,000)	\$ 80,000	\$ 21,000
	<u>101,000</u>	<u>-</u>	<u>(21,000)</u>	<u>80,000</u>	<u>21,000</u>
Other Liabilities:					
Net pension liability	1,801,893	-	(165,281)	1,636,612	-
Total OPEB liability - SDBF	76,409	-	(3,454)	72,955	-
Total OPEB liability - retiree health	2,667,061	-	(553,098)	2,113,963	-
Compensated absences	146,958	18,140	-	165,098	41,274
Total Business-type Activities	<u>\$ 4,793,321</u>	<u>\$ 18,140</u>	<u>\$ (742,833)</u>	<u>\$ 4,068,628</u>	<u>\$ 62,274</u>

Long-term debt due in more than one year \$ 4,006,354
*Debt associated with governmental activities capital assets \$ 80,000

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due With in One Year</u>
Discretely Presented Component Unit					
Component unit:					
Notes Payable	\$ 805,207	\$ -	\$ (172,785)	\$ 632,422	\$ 179,814
Total Discretely Presented Component Unit	<u>\$ 805,207</u>	<u>\$ -</u>	<u>\$ (172,785)</u>	<u>632,422</u>	<u>\$ 179,814</u>

Long-term debt due in more than one year \$ 452,608

CITY OF ROSENBERG, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on All Funds (continued)

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, 2025:

	<u>Original Issue</u>	<u>Matures</u>	<u>Interest Rates</u>	<u>Balance</u>
Governmental Activities				
General Obligation Bonds:				
General Obligation, Series 2014	\$ 1,565,000	2034	3.00-4.00%	\$ 685,000
Refunding Bonds, Series 2017	7,390,000	2028	2.00-4.00%	1,925,000
Refunding Bonds, Series 2017A	4,945,000	2029	3.00%	1,740,000
Refunding Bonds, Series 2020	7,785,000	2030	3.00%	3,925,000
General Obligation, Series 2024	46,640,000	2045	5.00%	46,340,000
Total General Obligation Bonds				<u>54,615,000</u>
Certificates of Obligation:				
Certificates of Obligation, Series 2014	5,000,000	2034	2.00-3.50%	2,705,000
Certificates of Obligation, Series 2015	9,760,000	2035	2.30-3.00%	5,505,000
Certificates of Obligation, Series 2016	9,825,000	2036	2.00-2.05%	5,875,000
Certificates of Obligation, Series 2017	9,320,000	2037	3.00%	6,270,000
Total Certificates of Obligation				<u>20,355,000</u>
Leases payable:				
Right-to-use assets - equipment	192,770	2029	3.50%	186,062
Subscription liabilities:				
Subscription assets - dispatch software	288,152	2027	3.37%	129,441
Total Governmental Activities Long-Term Debt				<u>\$ 75,285,503</u>
Business-type Activities				
Revenue Bonds:				
Combined Tax and Revenue, Series 2010	394,000	2029	N/A	\$ 80,000
Total Business-Type Activities Long-Term Debt				<u>\$ 80,000</u>

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on All Funds (continued)

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

Fiscal Year Ending September 30	Governmental Activities			
	General Obligation		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2026	\$ 3,515,000	\$ 2,518,200	\$ 1,655,000	\$ 534,516
2027	3,680,000	2,370,275	1,705,000	491,416
2028	3,235,000	2,228,588	1,755,000	446,216
2029	2,600,000	2,105,388	1,800,000	398,625
2030	2,610,000	1,997,950	1,860,000	348,191
2031 - 2035	10,135,000	8,512,875	9,780,000	917,880
2036 - 2040	12,630,000	5,694,500	1,800,000	42,648
2041 - 2045	16,210,000	2,107,500	-	-
	<u>\$ 54,615,000</u>	<u>\$ 27,535,276</u>	<u>\$ 20,355,000</u>	<u>\$ 3,179,492</u>

Fiscal Year Ending September 30	Business-type Activities	
	Revenue Bonds	
	Principal	Interest
2026	\$ 21,000	\$ -
2027	21,000	-
2028	21,000	-
2029	17,000	-
	<u>\$ 80,000</u>	<u>\$ -</u>

Notes Payable: Portions of the 2017A and 2020 general obligation refunding bonds are being paid from the RDC in the amounts of \$695,950, and \$109,257, 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 September 30	Component Unit	
	Principal	Interest
2026	\$ 179,814	\$ 18,136
2027	186,843	12,748
2028	193,873	7,259
2029	51,865	3,805
2030	20,027	2,758
	<u>\$ 632,422</u>	<u>\$ 44,706</u>

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

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 \$454,229,231. The net indebtedness subject to the debt limit is \$69,831,241 resulting in a legal debt margin of \$384,397,990.

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on All Funds (continued)

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, 2025, the value of the lease liability was \$186,062. The City is required to make monthly principal and interest payments of \$4,512 for the remaining term of the lease for 44 months as of September 30, 2025. The lease interest rate is based on an incremental borrowing rate of 3.5%. 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 \$192,770 and had accumulated amortization of \$19,887. The future principal and interest lease payments as of September 30, 2025 were as follows:

Fiscal Year Ending September 30	Internal Service Fund Equipment		
	Principal	Interest	Total
2026	\$ 48,403	\$ 5,741	\$ 54,144
2027	50,125	4,019	54,144
2028	51,907	2,236	54,143
2029	35,627	469	36,096
Total	\$ 186,062	\$ 12,465	\$ 198,527

Subscription Liability: The City has multiple 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 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 \$187,083. The value of the subscription liability as of September 30, 2025 was \$129,441. The amortization of the subscription assets at September 30, 2025 was \$168,244. The remaining annual requirements to amortize the subscription liability from the SBITAs at year end were as follows:

Fiscal Year Ending September 30	Internal Service Fund Subscription		
	Principal	Interest	Total
2026	\$ 61,801	\$ 4,278	\$ 66,079
2027	67,640	2,236	69,876
Total	\$ 129,441	\$ 6,514	\$ 135,955

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

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on All Funds (continued)

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

<u>Transfer In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 137,854
General	Water and wastewater	2,505,525
General	Solid waste	900,000
Debt Service	Water and wastewater	2,256,900
Civic Center	General	50,000
Civic Center	Nonmajor governmental	335,000
Nonmajor governmental	General	1,693,757
Nonmajor governmental	Water and wastewater	144,931
Nonmajor governmental	Nonmajor governmental	1,850,000
Water and wastewater	Nonmajor governmental	409,983
Water and wastewater	American Rescue Plan	2,907,678
Water and wastewater	RDC Projects	1,263,326
		<u>\$ 14,454,954</u>

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.

Fund Balance: As of September 30, 2025, \$1,470,703 of the City’s total fund balance is restricted by enabling legislation.

Hotel/Motel	\$ 742,528
Municipal Court Building Security	73,426
Municipal Court Child Safety	178,083
Juvenile Case Manager	112,645
PEG fees	348,012
Municipal Court Technology	16,009
Total Restricted by Enabling Legislation	<u>\$ 1,470,703</u>

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.

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, 2025, the City expects the amounts paid on workers’ compensation will not change significantly from the amounts recorded.

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information

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.

Pension Plans:

Texas Municipal Retirement System

Plan Description: The City participates as one of 938 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 www.tmr.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided: TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the 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:

	<u>2025</u>	<u>2024</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

CITY OF ROSENBERG, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information (continued)

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of 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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 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 the most recent Scale MP2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) 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 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. The target allocation and best estimates of arithmetic 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 Equity	35.0%	7.10%
Core Fixed Income	6.0%	5.0%
Non-Core Fixed Income	6.0%	6.8%
Hedge Funds	5.0%	6.4%
Private Equity	13.0%	8.5%
Private Debt	13.0%	8.2%
Real Estate	12.0%	6.7%
Infrastructure	6.0%	6.0%
Other Private Markets	4.0%	7.3%
Total	<u>100.0%</u>	

Discount Rate: The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute, and was projected over a period of 100 years. 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.

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information (continued)

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 (5.75%)	Current Single Rate Assumption (6.75%)	1% Increase (7.75%)
City's Net Pension Liability	\$ 36,269,573	\$ 16,949,134	\$ 1,441,217

Pension Plan Fiduciary Net Position: For 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 TMRS (including additions to/deductions from the 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. The Pension Plan Trust Fund is maintained on the accrual basis of accounting. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Detailed information about the pension plan’s Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained at www.tmr.com.

Changes in the NPL:

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions: For the fiscal year ended September 30, 2025, the City recognized pension expense of \$4,701,973.

At September 30, 2025, 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 actuarial assumptions and actual experience	\$ 2,611,080	\$ -
Changes in actuarial assumptions	-	(344,677)
Differences between projected and actual pension plan investment earnings	-	(1,077,090)
Contributions subsequent to the measurement date	3,380,455	-
Total	\$ 5,991,535	\$ (1,421,767)

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information (continued)

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u>		
2026	\$	1,007,975
2027		1,709,282
2028		(868,375)
2029		(659,569)
Total	\$	<u>1,189,313</u>

Other Post-Employment Benefit Plans:

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 pan. Both plans are described in detail below. Aggregate amounts for the two OPEB plans are as follows:

	<u>Total OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense</u>
TMRS - Supplemental Death Benefits Fund	\$ 755,540	\$ 117,370	\$ 253,894	\$ 28,440
Retiree Health Care Plan	21,892,698	2,998,728	9,756,599	691,359
Total OPEB Plans	<u>\$ 22,648,238</u>	<u>\$ 3,116,098</u>	<u>\$ 10,010,493</u>	<u>\$ 719,799</u>

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 THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information (continued)

TMRS - Supplemental Death Benefits (continued)

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, 2024 is summarized below:

Inactive employees currently receiving benefits	136
Inactive employees entitled to but not yet receiving benefits	67
Active Employees	<u>301</u>
Total	<u><u>504</u></u>

Total OPEB Liability: The City’s total OPEB liability of \$755,540 was measured as of December 31, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Valuation Date:	December 31, 2024
Methods and Assumptions:	
Inflation	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Discount rate*	4.08%
Retirees' share of benefit related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - services retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

* The discount rate was based on the Fidelity Index’s “20-Year Municipal GO AA Index” rate as of December 31, 2023.

The actuarial assumptions used in the December 31, 2024, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information (continued)

TMRS - Supplemental Death Benefits (continued)

Changes in the Total OPEB Liability:

	Total OPEB Liability
Changes for the Year:	
Service cost	\$ 28,356
Interest on total OPEB liability	28,969
Differences between expected and actual experience	(1,201)
Change of assumptions	(45,350)
Benefit payments, including refunds, of employee contributions	(18,904)
Net changes	<u>(8,130)</u>
Balance at January 1, 2024	<u>763,670</u>
Balance at December 31, 2024	<u><u>\$ 755,540</u></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.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the employer, calculated using the discount rate of 4.08%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1- percentage-point higher than the current rate. Note that the healthcare cost trend rate does not affect the total OPEB liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease in Discount Rate (3.08%)	Current Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
City's Total OPEB Liability	\$ 916,909	\$ 755,540	\$ 632,333

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: At September 30, 2025, the City recognized OPEB expense of \$28,440. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,683	\$ (10,062)
Changes of assumptions	85,430	(243,832)
Contributions subsequent to measurement date	17,257	-
Total	<u><u>\$ 117,370</u></u>	<u><u>\$ (253,894)</u></u>

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information (continued)

TMRS - Supplemental Death Benefits (continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued):

The deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the fiscal year ending September 30, 2026. Amounts currently reported as deferred outflows and deferred inflows of resources related to OPEB, excluding contributions subsequent to the measurement date, will be recognized in OPEB expense as follows.

<u>Ending September 30</u>	
2026	\$ (29,142)
2027	(47,401)
2028	(58,069)
2029	(12,478)
2030	(6,691)
Total	<u><u>\$ (153,781)</u></u>

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 0% of the cost, the same 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, 2025 were \$518,403, which equal benefit payments for retirees.

The number of employees covered by the benefit terms is as follows:

Inactive employees currently receiving benefits	51
Inactive employees entitled to but not yet receiving benefits	-
Active Employees	<u>301</u>
Total	<u><u>352</u></u>

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information (continued)

Retiree Healthcare Plan (continued)

Actuarial Methods and Assumptions: Significant methods and assumptions were as follows:

Valuation Date	December 31, 2024
Methods and Assumptions:	
Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	4.90% as of September 30, 2025
Inflation Rate	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Demographic Assumptions	Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS)
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Healthcare cost trends rates	Non-Medicare: Initial rate of 7.50% declining to an ultimate rate of 4.25% after 15 years; Medicare: Initial rate of 5.90% declining to an ultimate rate of 4.25% after 9 years
Participation Rates	100% for retirees that are eligible for Tenured Retiree Premium; 80% for retirees that are eligible for 60% City subsidy; 50% for retirees that are eligible for 30% City subsidy; 20% for retirees that are not eligible for a City subsidy
Other Information:	
Notes	The discount rate changed from 3.88% as of September 30, 2024 to 4.90% as of September 30, 2025.

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.

The discount rate changed from 3.88% as of September 30, 2024, to 4.90% as of September 30, 2025. Additionally, the demographic and salary increase assumptions were taken from the 2023 TMRS Experience Study, and the participation rates and the health care trend rates were updated to reflect the plan’s anticipated experience.

Changes in the Total OPEB Liability: The following table shows the changes in total OPEB liability:

	Total OPEB Liability
Changes for the Year:	
Service cost	\$ 1,335,323
Interest on the total OPEB liability	1,050,100
Differences between expected and actual experience	(2,335,521)
Change of assumptions	(4,294,773)
Benefit payments	(518,403)
Net changes	<u>(4,763,274)</u>
Beginning Balance	<u>26,655,972</u>
Ending Balance	<u><u>\$ 21,892,698</u></u>

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information (continued)

Retiree Healthcare Plan (continued)

Discount Rate Sensitivity Analysis: The following presents the plan's total OPEB liability, calculated using the discount rate, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease in Discount Rate (3.90%)</u>	<u>Current Discount Rate Assumption (4.90%)</u>	<u>1% Increase in Discount Rate (5.90%)</u>
City's Total OPEB Liability	\$ 26,092,669	\$ 21,892,698	\$ 18,572,351

Healthcare Cost Trend Rate Sensitivity Analysis: The following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates Assumption</u>	<u>1% Increase</u>
City's Total OPEB Liability	\$ 17,966,592	\$ 21,892,698	\$ 27,070,689

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the year ended September 30, 2025, the City recognized OPEB expense of \$691,359. At September 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (4,459,668)
Changes assumptions	2,998,728	(5,296,931)
Total	<u>\$ 2,998,728</u>	<u>\$ (9,756,599)</u>

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

<u>Fiscal Year</u>	
2026	\$ (1,694,064)
2027	(1,694,066)
2028	(468,936)
2029	(468,936)
2030	(468,933)
Thereafter	(1,962,936)
Total	<u>\$ (6,757,871)</u>

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.

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information (continued)

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. The project has proceeded much slower than anticipated. Between timing of development, Covid-19, and the changes in the market from Covid have impacted the project. The developer has recognized that the slower pace of development will make it not possible to meet the value thresholds. On May 14, 2025, the RDC approved a Ratification and First Amendment to the Agreement to extend the development window to March 31, 2033, providing an additional eight (8) years to meet the valuation target.

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 2025, the RDC paid \$300,000 for year 10 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 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. At the close of fiscal year 2025, Village Crossing is on track to meet development targets and the appraised value threshold.

CITY OF ROSENBERG, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information (continued)

Commitments and Contingencies (continued):

Rosenberg Business Park Ltd. Development Agreement - The RDC and the City have entered into a development agreement (the "Agreement") with the Rosenberg Business Park Ltd. (the "Developer"), for the development of the Rosenberg Business Park (the "Park"). The City agreed to fund, design, and construct certain public improvements including drainage, utilities, and roads to encourage and promote the development of an industrial distribution business park. The Developer has agreed to construct a building with a minimum of 25,000 square feet, assure the creation of at least five new jobs, convey certain property/assets to the City, and promote the Park. Phase I Improvements were completed in fiscal year 2018 at a cost of \$3,610,936. The Agreement includes obligations to fund future projects known as Phase II Future Improvements. This obligation is contingent on (i) the Developer selling or entering into a long-term lease with an end user/builder of at least 50% of the property served in Phase I Improvements or (ii) the Developer selling or entering into a long-term lease with an end user/builder for at least 50% of the property which requires Phase II Future Improvements. If the Developer does not meet the property sales threshold within 10 years of the completion of the construction of Phase I Improvements, the City will have the right to terminate the Agreement and have no further obligation to construct the future improvements. The RDC and City are committed to each fund 50% of the total infrastructure costs for Phase II of the Business Park infrastructure. Phase II improvements were completed in fiscal year 2023 at a cost of \$843,264 for each entity. In fiscal year 2024, all parties were confirmed to have met contractual obligations and agreed to formally terminate the agreement, contingent upon conveyance of certain lift station property to the City for operations and maintenance, and the resolution of a property tax designation error on a public roadway. No further action to formally terminate the agreement occurred in fiscal year 2025.

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 2024, the RDC paid \$75,000 for the final commencement incentive grant installment for the fourth anniversary. To date, the Company has not submitted a request for reimbursement of 50% of property taxes paid to the City in any of the eligible tax years of 2021-2025. The RDC continues to budget annually for this obligation and, if so requested by the Company with the appropriate documentation, is prepared to honor the commitment.

CITY OF ROSENBERG, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information (continued)

Commitments and Contingencies (continued):

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, with an option to accelerate payments to meet the obligation earlier if desired. 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 2024, the RDC exercised the option to accelerate payments and completed the remaining second, third, and fourth payment installments totaling \$862,500 following approval and acceptance of the improvements by the City. The RDC will continue to monitor sales tax revenue in fiscal year 2025 to ensure the minimum sales tax revenue threshold continues to be met.

Rosenberg Railroad Museum, Inc. Performance Agreement - The RDC entered into a performance agreement with the Rosenberg Railroad Museum, Inc. (RRM) for specific civil construction related expenditures for the Rail Heritage Project (Project). The Project consists of construction of approximately three hundred (300) feet of stationary track built to support four (4) additional historic railcars. The entire Project, including railcars, is estimated at \$1,502,000 for all components. The RDC has agreed to reimburse the RRM for specific civil construction costs in an amount not to exceed \$260,000. The RRM must complete construction of improvements by July 31, 2026, including acquisition of historic railcars at the sole expense of the RRM. Refurbishment of the additional railcars must be completed no later than twenty-four (24) months after the July 31, 2026, construction deadline (July 31, 2028). The RRM must provide a written invoice to the RDC for the one-time reimbursement payment of \$260,000 along with a certificate of completion from the engineer of record and proof of eligible expenditures and payments made for the cost of engineering design, construction, and installation of improvements. Such written invoice and supporting documentation was submitted by the RRM in March 2025; after document review, visual inspection, and confirmation by the RDC, the reimbursement payment of \$260,000 was issued on April 18, 2025. The RDC continues to monitor progress on refurbishment of the additional railcars, which must be completed by July 31, 2028.

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.

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information (continued)

Tax Abatement Incentives (continued):

<u>Effective Tax Year</u>	<u>Aldi LLC % Abated</u>
2017	70%
2018	70%
2019	55%
2020	55%
2021	55%
2022	55%
2023	55%
2024	55%
2025	55%
2026	55%

Dollar Tree, Inc. - The City has created Reinvestment Zone No. 20 (the “Zone”) in accordance with Texas Tax Code, Chapter 312. The City entered into a Tax Abatement Agreement (the “Agreement”) with Dollar Tree, Inc. (the “Company”) in accordance with Chapter 312 of the Texas Tax Code. The tax abatement shall be applied to the extent to which the certified appraised value of the improvements and eligible tangible personal property for each applicable tax year exceeds the certified appraised value of the improvements and eligible tangible personal property for the year in which the Agreement is executed. The Company shall construct an approximately 1.2 million square foot warehouse and distribution facility (the “Project”) and commence operation in the Project by no later than October 1, 2020. The Company has agreed to a minimum investment of \$130 million in the Project including land, real property improvement, furniture, fixtures, and equipment. By the end of the first full calendar quarter of the second anniversary of the commencement date, the Company shall employ and maintain no less than 300 full-time employees with an average employee wage of \$15 per hour and a payroll of at least \$9,360,000 annually. The abatement shall be for a period of 10 years commencing on January 1 of the calendar year immediately following the year in which completion of construction occurs. The Company shall receive a property tax abatement on both the improvements and eligible tangible personal property (excluding inventory) at the rate of 75%. In the event of default by the Company, the applicable amount of property taxes abated during the agreement must be repaid including interest.

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 FY2022 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 was \$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 2025, the City did not recognize any rebates.

<u>Effective Tax Year</u>	<u>OCuSOFT % Abated</u>
2020	70%
2021	70%
2022	70%
2023	70%
2024	70%
2025	70%
2026	70%

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information (continued)

Tax Abatement Incentives (continued):

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 FY2022, in accordance with Chapter 312 of the Texas Tax Code. The tax abatement shall be applied to the extent to which the certified appraised value of the improvements and eligible tangible personal property for each applicable tax year exceeds the certified appraised value of the improvements and eligible tangible personal property for the year in which this Agreement is executed. The Company agreed to construct 115,000 square feet of headquarters, office, and operation space on or before December 31, 2021. Any future improvements constructed during the term of this Agreement will also be included. The Company must expend not less than \$8.5 million on improvements on the property and have a certified appraised value of not less than \$7.5 million. The Company shall maintain a minimum of 40 full-time employees at an average wage of \$28 per hour by December 31, 2021. The Company shall receive a property tax abatement on both the improvements and eligible tangible personal property at the rates below. The term of the Agreement extends through December 31, 2031. In the event of default by the Company, the applicable amount of property taxes abated during the agreement must be repaid including interest and penalties. For fiscal year 2025, the City did not recognize any rebates.

<u>Effective Tax Year</u>	Wet Sounds, Inc. Required Certified Appraised Value for Property Tax	
	<u>Abatement</u>	<u>% Abated</u>
2022	\$ 7,500,000	50%
2023	7,500,000	50%
2024	7,500,000	50%
2025	7,500,000	50%
2026	7,500,000	50%
2027	7,500,000	50%
2028	7,500,000	50%
2029	7,500,000	50%
2030	7,500,000	50%
2031	7,500,000	50%

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information (continued)

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 (3) 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 2025, the City did not recognize any rebates.

<u>Effective Tax Year</u>	<u>Sako Properties, LP % Abated</u>
2022	25%
2023	25%
2024	25%
2025	25%
2026	25%

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 2025, the City did not recognize any rebates.

<u>Effective Tax Year</u>	<u>Biotics Research Corporation % Abated</u>
2023	75%
2024	50%
2025	50%
2026	25%
2027	25%

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information (continued)

Chapter 380 Sales Tax Abatement Agreement

Builders’ FirstSource “BFS Texas Sales, LLC” (formerly BMC Texas Sales, LLC) - 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 “BFS Texas Sales” (the “Company”) under Chapter 380 of the Texas Local Government Code. The Company has agreed to establish, retain, and operate regional headquarters within the City and employ a minimum of 50 full-time employees. The City and the RDC have no obligation if the aggregate City sales and use tax revenues generated by the Company, and payable to and received by the City from the State Comptroller, is less than \$3,500,000. If the applicable revenues generated exceeds \$3,500,000 for the contract year then the Company will receive a percentage of sales tax rebated from the City’s one percent, and the RDC’s one-half of one percent, of sales and use tax based on the table below. The term of the agreement is 10 years, expiring April 1, 2027, with an additional 10-year renewal option that the Company exercised in fiscal year 2025. The RDC approved the extension on April 9, 2025. 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 2025, the City rebated \$2,167,708.39, and the RDC rebated \$1,083,854.19 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%

Implementation of New Standards

GASB issued Statement No. 101, *Compensated Absences*, in June 2022. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The requirements of this statement were implemented in fiscal year 2025 and did not materially impact the financial statements.

GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The requirements of this statement were implemented in fiscal year 2025 and did not impact the financial statements.

CITY OF ROSENBERG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4 - Other Information (continued)

Adjustments of beginning balances

Due to the increased activity in the CDBG Mitigation Drainage Improvement Fund, the fund should be reported as a major governmental fund in fiscal year 2025. The CDBG Mitigation Drainage Improvement Fund was previously reported as a nonmajor governmental fund. The effect of the change within the financial reporting entity is summarized below in the “Adjustment - CDBG Mitigation Drainage Improvement fund as major fund” column in the following table.

	<u>Fund balance 9/30/2024 as previously reported</u>	Adjustment - CDBG Mitigation Drainage Improvement fund as major fund	<u>Fund balance 9/30/2024 as adjusted</u>
Governmental funds			
Major funds:			
General Fund	\$ 20,001,536	\$ -	\$ 20,001,536
Debt Service Fund	5,152,857	-	5,152,857
RDC Projects Fund	9,965,748	-	9,965,748
American Rescue Plan Fund	878,558	-	878,558
CDBG Mitigation Drainage Improvement	-	4,312,099	4,312,099
2024 General Obligation Fund	52,710,951		52,710,951
Nonmajor Funds	33,515,046	(4,312,099)	29,202,947
Total governmental funds	<u>\$ 122,224,696</u>	<u>\$ -</u>	<u>\$ 122,224,696</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF ROSENBERG, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Property taxes	\$ 9,110,000	\$ 9,110,000	\$ 9,011,415	\$ (98,585)
Sales and use taxes	20,220,000	21,025,200	22,018,925	993,725
Franchise fees	2,170,000	2,170,000	2,134,143	(35,857)
Licenses and permits	1,047,450	1,047,450	1,694,828	647,378
Fines and forfeitures	918,050	918,050	956,243	38,193
Charges for services	2,728,375	2,728,375	2,285,733	(442,642)
Investment earnings	950,000	950,000	579,121	(370,879)
Lease revenue	-	-	19,354	19,354
Intergovernmental	289,300	289,300	691,478	402,178
Other revenue	109,950	109,950	401,964	292,014
Total Revenues	<u>37,543,125</u>	<u>38,348,325</u>	<u>39,793,204</u>	<u>1,444,879</u>
Expenditures				
General government:				
Mayor and City Council	78,427	78,427	51,742	26,685
City manager	762,073	762,073	648,279	113,794
Economic development	394,400	414,400	414,054	346
City secretary	372,907	372,907	322,792	50,115
Finance	1,088,298	1,088,298	1,085,176	3,122
Human resources	444,945	444,945	443,249	1,696
Legal	290,000	340,000	332,376	7,624
City prosecutor	85,000	85,000	73,450	11,550
Municipal court	721,071	721,071	670,634	50,437
Technology	733,346	733,346	721,628	11,718
Communications	412,724	412,724	379,656	33,068
Nondepartmental	1,708,833	1,708,833	1,651,373	57,460
Total general government	<u>7,092,024</u>	<u>7,162,024</u>	<u>6,794,409</u>	<u>367,615</u>
Public safety:				
Police and emergency management	14,781,300	15,081,800	14,572,669	509,131
Fire and fire marshal	7,166,303	7,266,303	7,243,326	22,977
Animal control	769,197	769,197	764,223	4,974
Total public safety	<u>22,716,800</u>	<u>23,117,300</u>	<u>22,580,218</u>	<u>537,082</u>
Public works:				
Streets and drainage	3,664,200	3,690,349	3,514,123	176,226
Street lighting and signals	615,850	615,850	541,133	74,717
Park maintenance	1,430,068	1,477,930	1,418,338	59,592
Building maintenance	404,249	404,249	387,570	16,679
City engineering	1,341,811	1,341,811	728,657	613,154
Fleet maintenance	632,274	641,574	639,912	1,662
Total public works	<u>8,088,452</u>	<u>8,171,763</u>	<u>7,229,733</u>	<u>942,030</u>
Community development:				
Planning	576,912	576,912	564,587	12,325
Code enforcement	1,219,808	1,259,808	1,251,879	7,929
Public health	210,508	210,508	196,210	14,298
Total community development	<u>2,007,228</u>	<u>2,047,228</u>	<u>2,012,676</u>	<u>34,552</u>
Total Expenditures	<u>39,904,504</u>	<u>40,498,315</u>	<u>38,617,036</u>	<u>1,881,279</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,361,379)	(2,149,990)	1,176,171	(436,397)

CITY OF ROSENBERG, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other Financing Sources (Uses)				
Transfers in	\$ 3,543,379	\$ 3,543,379	\$ 3,543,379	\$ -
Transfers out	<u>(1,182,000)</u>	<u>(1,743,757)</u>	<u>(1,743,757)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,361,379</u>	<u>1,799,622</u>	<u>1,799,622</u>	<u>-</u>
Net Change in Fund Balances	-	(350,368)	2,975,793	(436,397)
Fund Balances - Beginning, as Restated	<u>20,001,533</u>	<u>20,001,533</u>	<u>20,001,533</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 20,001,533</u>	<u>\$ 19,651,165</u>	<u>\$ 22,977,326</u>	<u>\$ 3,326,161</u>

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 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL – RDC PROJECTS FUND**

For the Year Ended September 30, 2025

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Investment revenue	\$ 400,000	\$ 400,000	\$ 464,083	\$ 64,083
Intergovernmental	5,353,124	5,353,124	5,353,124	-
Total Revenues	<u>5,753,124</u>	<u>5,753,124</u>	<u>5,817,207</u>	<u>64,083</u>
Expenditures				
Current:				
Community development	-	46,360	10,000	36,360
Capital outlay	6,040,000	14,663,793	1,901,705	12,762,088
Total Expenditures	<u>6,040,000</u>	<u>14,710,153</u>	<u>1,911,705</u>	<u>12,798,448</u>
Excess (Deficiency) of Revenues Over Expenditures	(286,876)	(8,957,029)	3,905,502	12,862,531
Other Financing Sources (Uses)				
Transfers out	-	-	(1,263,326)	(1,263,326)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,263,326)</u>	<u>(1,263,326)</u>
Net change in Fund Balances	(286,876)	(8,957,029)	2,642,176	11,599,205
Fund Balances - Beginning	9,965,748	9,965,748	9,965,748	-
Fund Balances - Ending	<u>\$ 9,678,872</u>	<u>\$ 1,008,719</u>	<u>\$ 12,607,924</u>	<u>\$ 11,599,205</u>

CITY OF ROSENBERG, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL – CDBG MITIGATION DRAINAGE IMPROVEMENT
For the Year Ended September 30, 2025**

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Investment revenue	\$ -	\$ -	\$ 60,972	\$ 60,972
Intergovernmental	-	-	2,274,760	2,274,760
Total Revenues	<u>-</u>	<u>-</u>	<u>2,335,732</u>	<u>2,335,732</u>
Expenditures				
Capital outlay	-	46,467,003	11,303,030	35,163,973
Total Expenditures	<u>-</u>	<u>46,467,003</u>	<u>11,303,030</u>	<u>35,163,973</u>
Excess (Deficiency) of Revenues Over Expenditures	-	(46,467,003)	(8,967,298)	37,499,705
Other Financing Sources (Uses)				
Transfers in	-	-	22,305	22,305
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>22,305</u>	<u>22,305</u>
Net change in Fund Balances	-	(46,467,003)	(8,944,993)	37,522,010
Fund Balances - Beginning	<u>4,312,099</u>	<u>4,312,099</u>	<u>4,312,099</u>	<u>-</u>
Fund Balances (Deficit) - Ending	<u>\$ 4,312,099</u>	<u>\$ (42,154,904)</u>	<u>\$ (4,632,894)</u>	<u>\$ 37,522,010</u>

TEXAS MUNICIPAL RETIREMENT SYSTEM (UNAUDITED)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

For the Last Ten Measurement Years Ended December 31

	Measurement Year				
	2015	2016	2017	2018	2019
Total Pension Liability					
Service cost	\$ 1,995,907	\$ 2,034,621	\$ 2,139,697	\$ 2,657,523	\$ 2,873,947
Interest (on on the total pension liability)	4,076,807	4,180,290	4,383,721	4,973,547	5,229,709
Changes of benefit terms	-	-	-	4,750,555	-
Difference between expected and actual experience	289,636	(518,072)	69,996	(774,670)	660,421
Change in assumptions	(25,808)	-	-	-	411,125
Benefit payments, including refunds of employee contributions	(2,379,033)	(2,952,510)	(2,518,656)	(3,210,794)	(3,128,444)
Net Change in Total Pension Liability	3,957,509	2,744,329	4,074,758	8,396,161	6,046,758
Total Pension Liability - Beginning	58,431,660	62,389,169	65,133,498	69,208,256	77,604,417
Total Pension Liability - Ending (a)	\$ 62,389,169	\$ 65,133,498	\$ 69,208,256	\$ 77,604,417	\$ 83,651,175
Plan Fiduciary Net Position:					
Contributions - employer	\$ 1,986,101	\$ 1,928,740	\$ 1,966,261	\$ 2,200,858	\$ 2,798,557
Contributions - employee	840,382	858,490	898,292	987,784	1,198,191
Net investment income	73,296	3,389,430	7,392,526	(1,828,615)	9,146,607
Benefit payments, including refunds of employee contributions	(2,379,033)	(2,952,510)	(2,518,656)	(3,210,794)	(3,128,444)
Administrative expense	(8,645)	(38,275)	(38,306)	(35,332)	(51,663)
Other	(2,205)	(2,062)	(1,940)	(1,847)	(1,552)
Net Change in Plan Fiduciary Net Position	509,896	3,183,813	7,698,177	(1,887,946)	9,961,696
Plan Fiduciary Net Position - Beginning	49,637,565	50,147,461	53,331,274	61,029,451	59,141,505
Plan Fiduciary Net Position - Ending (b)	50,147,461	53,331,274	61,029,451	59,141,505	69,103,201
Net Pension Liability - Ending (a) - (b)	\$ 12,241,708	\$ 11,802,224	\$ 8,178,805	\$ 18,462,912	\$ 14,547,974
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	80.38%	81.88%	88.18%	76.21%	82.61%
Covered Payroll	\$ 14,006,366	\$ 14,308,168	\$ 14,942,016	\$ 15,724,990	\$ 17,117,016
Net Pension Liability as a Percentage of Covered Payroll	87.40%	82.49%	54.74%	117.41%	84.99%

TEXAS MUNICIPAL RETIREMENT SYSTEM (UNAUDITED)
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 For the Last Ten Measurement Years Ended December 31

	Measurement Year				
	2020	2021	2022	2023	2024
Total Pension Liability					
Service cost	\$ 3,050,355	\$ 3,021,004	\$ 3,182,649	\$ 3,438,253	\$ 4,218,014
Interest (on on the total pension liability)	5,648,609	5,998,105	6,393,119	6,863,774	7,311,474
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(347,902)	308,872	1,190,827	836,545	2,421,368
Change in assumptions	-	-	-	(682,597)	-
Benefit payments, including refunds of employee contributions	(2,986,505)	(3,330,847)	(3,782,640)	(4,060,801)	(4,365,730)
Net Change in Total Pension Liability	5,364,557	5,997,134	6,983,955	6,395,174	9,585,126
Total Pension Liability - Beginning	83,651,175	89,015,732	95,012,866	101,996,821	108,391,995
Total Pension Liability - Ending (a)	\$ 89,015,732	\$ 95,012,866	\$ 101,996,821	\$ 108,391,995	\$ 117,977,121
Plan Fiduciary Net Position:					
Contributions - employer	\$ 2,958,350	\$ 2,929,292	\$ 2,997,541	\$ 3,268,300	\$ 4,000,041
Contributions - employee	1,279,088	1,258,752	1,322,169	1,425,428	1,673,658
Net investment income	5,247,667	9,858,238	(6,300,312)	9,325,718	9,398,698
Benefit payments, including refunds of employee contributions	(2,986,505)	(3,330,847)	(3,782,640)	(4,060,801)	(4,365,730)
Administrative expense	(33,941)	(45,581)	(54,473)	(59,261)	(60,229)
Other	(1,325)	312	65,002	(415)	(1,408)
Net Change in Plan Fiduciary Net Position	6,463,334	10,670,166	(5,752,713)	9,898,969	10,645,030
Plan Fiduciary Net Position - Beginning	69,103,201	75,566,535	86,236,701	80,483,988	90,382,957
Plan Fiduciary Net Position - Ending (b)	75,566,535	86,236,701	80,483,988	90,382,957	101,027,987
Net Pension Liability - Ending (a) - (b)	\$ 13,449,197	\$ 8,776,165	\$ 21,512,833	\$ 18,009,038	\$ 16,949,134
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.89%	90.76%	78.91%	83.39%	85.63%
Covered Payroll	\$ 18,200,209	\$ 17,982,169	\$ 18,888,124	\$ 20,356,738	\$ 23,630,331
Net Pension Liability as a Percentage of Covered Payroll	73.90%	48.80%	113.90%	88.47%	71.73%

CITY OF ROSENBERG, TEXAS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS**

For the Last Ten Fiscal Years Ended September 30

	Fiscal Year				
	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 2,954,461	\$ 3,077,300	\$ 3,200,463	\$ 3,760,271	\$ 4,381,616
Contribution in relation of the actuarially determined contribution	2,954,461	3,077,300	3,200,463	3,760,271	4,381,616
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 18,169,136	\$ 19,255,612	\$ 19,993,703	\$ 22,682,751	\$ 25,158,665
Contributions as a percentage of covered payroll	16.26%	15.98%	16.01%	16.58%	17.42%

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS**

For the Last Ten Fiscal Years Ended December 31

	Fiscal Year				
	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 1,941,325	\$ 1,950,736	\$ 2,022,036	\$ 2,697,550	\$ 2,931,829
Contribution in relation of the actuarially determined contribution	<u>1,941,325</u>	<u>1,950,736</u>	<u>2,022,036</u>	<u>2,697,550</u>	<u>2,931,829</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,230,199	\$ 14,742,619	\$ 15,482,968	\$ 16,468,984	\$ 18,058,713
Contributions as a percentage of covered payroll	13.64%	13.23%	13.06%	16.38%	16.23%

Notes to Required Supplementary Information:

Valuation Date: Actuarial determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

- Actuarial Cost Method: Entry Age Normal
- Amortization Method: Level Percentage of Payroll, Closed
- Remaining Amortization Period: 21 years
- Asset Valuation Method: 10 Year smoothed market; 12% soft corridor
- Inflation: 2.50%
- Salary Increases: 3.60% to 11.85% including inflation
- Investment Rate of Return: 6.75%
- Retirement Age: Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
- Mortality: Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
- Other Information: There were no benefit changes during the year.

CITY OF ROSENBERG, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM – SUPPLEMENTAL DEATH BENEFITS FUND

For the Last Eight Measurement Years Ended December 31

	Measurement Year*			
	2021	2022	2023	2024
Total OPEB Liability				
Service cost	\$ 39,561	\$ 43,443	\$ 20,357	\$ 28,356
Interest (on the Total OPEB Liability)	18,845	19,037	27,792	28,969
Difference between expected and actual experience	7,585	14,079	6,608	(1,201)
Changes of assumptions	35,509	(399,607)	41,007	(45,350)
Benefit payments**	(10,789)	(11,333)	(16,285)	(18,904)
Net Change in Total OPEB Liability	90,711	(334,381)	79,479	(8,130)
Total OPEB Liability - Beginning	927,861	1,018,572	684,191	763,670
Total OPEB Liability - Ending	<u>\$ 1,018,572</u>	<u>\$ 684,191</u>	<u>\$ 763,670</u>	<u>\$ 755,540</u>
Covered-Employee Payroll	\$ 17,982,169	\$ 18,888,124	\$ 20,356,738	\$ 23,630,331
Total OPEB Liability as a Percentage of Covered-Employee Payroll	5.66%	3.62%	3.75%	3.20%

	Measurement Year*			
	2017	2018	2019	2020
Total OPEB Liability				
Service cost	\$ 20,919	\$ 25,160	\$ 23,964	\$ 38,220
Interest (on the Total OPEB Liability)	20,658	21,211	22,754	21,651
Difference between expected and actual experience	-	(18,007)	(13,902)	(33,556)
Changes of assumptions	55,204	(50,334)	139,338	136,081
Benefit payments**	(4,483)	(4,717)	(5,135)	(5,460)
Net Change in Total OPEB Liability	92,298	(26,687)	167,019	156,936
Total OPEB Liability - Beginning	538,295	630,593	603,906	770,925
Total OPEB Liability - Ending	<u>\$ 630,593</u>	<u>\$ 603,906</u>	<u>\$ 770,925</u>	<u>\$ 927,861</u>
Covered-Employee Payroll	\$ 14,942,016	\$ 15,724,990	\$ 17,117,016	\$ 18,220,209
Total OPEB Liability as a Percentage of Covered-Employee Payroll	4.22%	3.84%	4.50%	5.09%

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

CITY OF ROSENBERG, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended September 30, 2025

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 11.88% including inflation
Discount rate*	4.08%
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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on fully generational basis by the most recent scale MP-2021 (with intermediate convergence).
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 the most recent Scale MP-2021 (with intermediate convergence) to account for future mortality improvements subject to the floor.

3. 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, 2024.

There were no benefit changes during the year.

CITY OF ROSENBERG, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM – RETIREE HEALTH CARE BENEFIT PLAN

For the Last Eight Measurement Years Ended December 31

	Measurement Year*			
	2021	2022	2023	2024
Total OPEB Liability				
Service cost	\$ 1,858,368	\$ 1,468,637	\$ 1,533,257	\$ 1,335,323
Interest (on the total pension liability)	1,198,861	963,076	1,050,600	1,050,100
Difference between expected and actual experience	(2,832,656)	-	(2,035,516)	(2,335,521)
Changes of assumptions	(4,518,114)	-	4,198,218	(4,294,773)
Benefit payments	(691,133)	(509,690)	(686,916)	(518,403)
Net change in total OPEB liability	(4,984,674)	1,922,023	4,059,643	(4,763,274)
Total OPEB Liability - Beginning	25,658,980	20,674,306	22,596,329	26,655,972
Total OPEB Liability - Ending	\$ 20,674,306	\$ 22,596,329	\$ 26,655,972	\$ 21,892,698
Covered-Employee Payroll	\$ 19,475,766	\$ 19,507,644	\$ 23,009,339	\$ 25,217,972
Total OPEB Liability as a Percentage of Covered-Employee Payroll	106.15%	115.83%	115.85%	86.81%

	Measurement Year*			
	2017	2018	2019	2020
Total OPEB Liability				
Service cost	\$ 1,035,876	\$ 976,940	\$ 1,014,357	\$ 1,814,635
Interest (on the total pension liability)	595,478	655,729	502,506	610,267
Difference between expected and actual experience	-	-	(788,197)	-
Changes of assumptions	(984,270)	-	6,026,783	-
Benefit payments	(461,319)	(500,532)	(500,532)	(547,166)
Net change in total OPEB liability	185,765	1,132,137	6,254,917	1,877,736
Total OPEB Liability - Beginning	16,208,425	16,394,190	17,526,327	23,781,244
Total OPEB Liability - Ending	\$ 16,394,190	\$ 17,526,327	\$ 23,781,244	\$ 25,658,980
Covered-Employee Payroll	\$ 21,716,538	\$ 16,804,153	\$ 18,363,895	\$ 18,908,150
Total OPEB Liability as a Percentage of Covered-Employee Payroll	75.49%	104.30%	129.50%	135.70%

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

CITY OF ROSENBERG, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2025

1. Valuation Date: December 31, 2024
2. Methods and Assumptions:

Actuarial cost method	Individual Entry-Age Normal
Inflation	2.5%
Salary increases	3.60% to 11.85%
Discount rate	4.90%
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Mortality Improvement	MP-2021
Healthcare Cost and Trend Rates	Non-Medicare: Initial rate of 7.50% declining to an ultimate rate of 4.25% after 15 years; Medicare: Initial rate of 5.90% declining to an ultimate rate of 4.25% after 9 years
Turnover	Based on City's experience
Retirement	Based on City's experience

3. 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, 2025. There were no benefit changes during the year.



**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



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, 2025

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	\$ 5,808,974	\$ 5,808,974	\$ 5,630,539	\$ (178,435)
Investment revenue	100,000	100,000	239,324	139,324
Intergovernmental	195,926	195,926	195,926	-
Total Revenues	<u>6,104,900</u>	<u>6,104,900</u>	<u>6,065,789</u>	<u>(39,111)</u>
Expenditures				
Debt Service:				
Principal	3,955,000	3,955,000	3,955,000	-
Interest and fiscal agent fees	4,256,800	4,256,800	4,256,800	-
Bond issuance costs	30,000	30,000	16,050	13,950
Total Expenditures	<u>8,241,800</u>	<u>8,241,800</u>	<u>8,227,850</u>	<u>13,950</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,136,900)	(2,136,900)	(2,162,061)	(25,161)
Other Financing Sources (Uses)				
Transfers in	2,256,900	2,256,900	2,256,900	-
Total Other Financing Sources (Uses)	<u>2,256,900</u>	<u>2,256,900</u>	<u>2,256,900</u>	<u>-</u>
Net change in Fund Balances	120,000	120,000	94,839	(25,161)
Fund Balances - Beginning	<u>5,152,857</u>	<u>5,152,857</u>	<u>5,152,857</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 5,272,857</u>	<u>\$ 5,272,857</u>	<u>\$ 5,247,696</u>	<u>\$ (25,161)</u>

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.

Animal Control – The Animal Control Fund is designated to commit funds for animal control services, including shelter operations, enforcement, and public safety efforts.

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.

CITY OF ROSENBERG, TEXAS

NONMAJOR GOVERNMENTAL FUNDS (continued)

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.

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 Project 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
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2025

	Hotel and Motel Occupancy Tax	Municipal Court Technology Fund	Beautification Fund	Law Enforcement Fund
Assets				
Cash and cash equivalents	\$ 416,286	\$ 16,009	\$ 236,394	\$ 859,214
Receivables (net of allowance for uncollectibles)	358,148	-	-	-
Prepaid items	9,070	-	-	-
Total Assets	<u>\$ 783,504</u>	<u>\$ 16,009</u>	<u>\$ 236,394</u>	<u>\$ 859,214</u>
Liabilities				
Accounts payable	\$ 28,515	\$ -	\$ 170	\$ 1,323
Accrued liabilities	3,391	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>31,906</u>	<u>-</u>	<u>170</u>	<u>1,323</u>
Fund Balances				
Nonspendable:				
Prepays	9,070	-	-	-
Restricted:				
Public Safety	-	16,009	-	857,891
Parks	-	-	236,224	-
Tourism	742,528	-	-	-
Governmental programming	-	-	-	-
Capital projects	-	-	-	-
Committed for:				
Governmental programming	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>751,598</u>	<u>16,009</u>	<u>236,224</u>	<u>857,891</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 783,504</u>	<u>\$ 16,009</u>	<u>\$ 236,394</u>	<u>\$ 859,214</u>

CITY OF ROSENBERG, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2025

	Community Development Block Grant Fund	Police Asset Forfeiture Fund	Animal Control & Shelter Donation Fund	Park Land Dedication Fund
Assets				
Cash and cash equivalents	\$ 563,049	\$ 30,793	\$ 226,527	\$ 2,450,981
Receivables (net of allowance for uncollectibles)	163,586	-	-	-
Prepaid items	-	-	-	-
Total Assets	\$ 726,635	\$ 30,793	\$ 226,527	\$ 2,450,981
Liabilities				
Accounts payable	\$ 110,434	\$ 10,979	\$ 43,661	\$ -
Accrued liabilities	27,498	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	137,932	10,979	43,661	-
Fund Balances				
Nonspendable:				
Prepays	-	-	-	-
Restricted:				
Public Safety	-	19,814	-	-
Parks	-	-	-	2,450,981
Tourism	-	-	-	-
Governmental programming	588,703	-	-	-
Capital projects	-	-	-	-
Committed for:				
Governmental programming	-	-	182,866	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	588,703	19,814	182,866	2,450,981
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 726,635	\$ 30,793	\$ 226,527	\$ 2,450,981

CITY OF ROSENBERG, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2025

	Juvenile Case Manager Fund	Municipal Court Child Safety Fund	Municipal Building Security Fund	MUD Fire Services Fund
Assets				
Cash and cash equivalents	\$ 112,724	\$ 182,667	\$ 73,426	\$ 919,669
Receivables (net of allowance for uncollectibles)	-	-	-	-
Prepaid items	-	-	-	-
Total Assets	<u>\$ 112,724</u>	<u>\$ 182,667</u>	<u>\$ 73,426</u>	<u>\$ 919,669</u>
Liabilities				
Accounts payable	\$ -	\$ 4,584	\$ -	\$ -
Accrued liabilities	79	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>79</u>	<u>4,584</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable:				
Prepays	-	-	-	-
Restricted:				
Public Safety	112,645	178,083	73,426	919,669
Parks	-	-	-	-
Tourism	-	-	-	-
Governmental programming	-	-	-	-
Capital projects	-	-	-	-
Committed for:				
Governmental programming	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>112,645</u>	<u>178,083</u>	<u>73,426</u>	<u>919,669</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 112,724</u>	<u>\$ 182,667</u>	<u>\$ 73,426</u>	<u>\$ 919,669</u>

CITY OF ROSENBERG, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2025

	Police Federal Forfeiture Fund	Fire Station Number 3 Operating Fund	Cable PEG Fees Fund	Operating Projects Fund
Assets				
Cash and cash equivalents	\$ 194,162	\$ 185,874	\$ 349,327	\$ 1,373,711
Receivables (net of allowance for uncollectibles)	-	-	7,148	198,411
Prepaid items	-	169	-	-
Total Assets	<u>\$ 194,162</u>	<u>\$ 186,043</u>	<u>\$ 356,475</u>	<u>\$ 1,572,122</u>
Liabilities				
Accounts payable	\$ 12,777	\$ 89,833	\$ 8,463	\$ 288,055
Accrued liabilities	-	46,311	-	14,728
Due to other funds	-	-	-	-
Total Liabilities	<u>12,777</u>	<u>136,144</u>	<u>8,463</u>	<u>302,783</u>
Fund Balances				
Nonspendable:				
Prepays	-	169	-	-
Restricted:				
Public Safety	181,385	49,730	-	-
Parks	-	-	-	-
Tourism	-	-	-	-
Governmental programming	-	-	-	-
Capital projects	-	-	348,012	-
Committed for:				
Governmental programming	-	-	-	-
Capital projects	-	-	-	1,269,339
Unassigned	-	-	-	-
Total Fund Balances	<u>181,385</u>	<u>49,899</u>	<u>348,012</u>	<u>1,269,339</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 194,162</u>	<u>\$ 186,043</u>	<u>\$ 356,475</u>	<u>\$ 1,572,122</u>

CITY OF ROSENBERG, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2025

	County Mobility Project Fund	2014 General Obligation Fund	2017 Certificates of Obligation Fund	Street Improvement Fund
Assets				
Cash and cash equivalents	\$ 4,925,096	\$ -	\$ 1,721,908	\$ 2,540,925
Receivables (net of allowance for uncollectibles)	-	-	-	-
Prepaid items	-	-	-	-
Total Assets	\$ 4,925,096	\$ -	\$ 1,721,908	\$ 2,540,925
Liabilities				
Accounts payable	\$ -	\$ -	\$ 7,675	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	7,675	-
Fund Balances				
Nonspendable:				
Prepays	-	-	-	-
Restricted:				
Public Safety	-	-	-	-
Parks	-	-	-	-
Tourism	-	-	-	-
Governmental programming	-	-	-	-
Capital projects	4,925,096	-	1,714,233	-
Committed for:				
Governmental programming	-	-	-	-
Capital projects	-	-	-	2,540,925
Unassigned	-	-	-	-
Total Fund Balances	4,925,096	-	1,714,233	2,540,925
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,925,096	\$ -	\$ 1,721,908	\$ 2,540,925

CITY OF ROSENBERG, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2025

	Capital Improvement Fund	Seabourne Creek Capacity Fund	Dry Creek Capacity Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 8,457,852	\$ 68,205	\$ 2,558,002	\$ 28,462,801
Receivables (net of allowance for uncollectibles)	2,341,769	-	-	3,069,062
Prepaid items	-	-	-	9,239
Total Assets	\$ 10,799,621	\$ 68,205	\$ 2,558,002	\$ 31,541,102
Liabilities				
Accounts payable	\$ 896,188	\$ -	\$ -	\$ 1,502,657
Accrued liabilities	132,769	-	-	224,776
Due to other funds	-	-	-	-
Total Liabilities	1,028,957	-	-	1,727,433
Fund Balances				
Nonspendable:				
Prepays	-	-	-	9,239
Restricted:				
Public Safety	-	-	-	2,408,652
Parks	-	-	-	2,687,205
Tourism	-	-	-	742,528
Governmental programming	-	-	-	588,703
Capital projects	-	68,205	2,558,002	9,613,548
Committed for:				
Governmental programming	-	-	-	182,866
Capital projects	9,770,664	-	-	13,580,928
Unassigned	-	-	-	-
Total Fund Balances	9,770,664	68,205	2,558,002	29,813,669
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,799,621	\$ 68,205	\$ 2,558,002	\$ 31,541,102

CITY OF ROSENBERG, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025**

	Hotel and Motel Occupancy Tax	Municipal Court Technology Fund	Beautification Fund	Law Enforcement Fund
Revenues				
Franchise fees	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	908,443	-	-	-
Fines and forfeitures	-	23,926	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	300,489
Investment revenue	19,806	637	9,775	37,471
Other revenue	113,163	-	-	-
Total Revenues	<u>1,041,412</u>	<u>24,563</u>	<u>9,775</u>	<u>337,960</u>
Expenditures				
Current:				
General administration	-	-	-	-
Public safety	-	25,000	-	67,375
Economic development	550,063	-	11,191	-
Capital outlay	-	-	-	101,734
Total Expenditures	<u>550,063</u>	<u>25,000</u>	<u>11,191</u>	<u>169,109</u>
Excess (Deficiency) of Revenues Over Expenditures	491,349	(437)	(1,416)	168,851
Other Financing Sources (Uses)				
Transfers in	82,000	-	-	-
Transfers out	(394,727)	-	-	-
Total Other Financing Sources (Uses)	<u>(312,727)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund Balances	178,622	(437)	(1,416)	168,851
Fund Balances - Beginning, as previously stated	<u>572,976</u>	<u>16,446</u>	<u>237,640</u>	<u>689,040</u>
Adjustments	-	-	-	-
Fund Balances - Beginning, as adjusted	<u>572,976</u>	<u>16,446</u>	<u>237,640</u>	<u>689,040</u>
Fund Balances (Deficit) - Ending	<u>\$ 751,598</u>	<u>\$ 16,009</u>	<u>\$ 236,224</u>	<u>\$ 857,891</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2025

	Community Development Block Grant Fund	Police Asset Forfeiture Fund	Animal Control & Shelter Donation Fund	Park Land Dedication Fund
Revenues				
Franchise fees	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	351,683	-	-	-
Investment revenue	-	1,663	5,923	94,689
Other revenue	-	10,184	234,616	595,461
Total Revenues	<u>351,683</u>	<u>11,847</u>	<u>240,539</u>	<u>690,150</u>
Expenditures				
Current:				
General administration	-	-	-	-
Public safety	-	22,129	184,673	-
Economic development	-	-	-	-
Capital outlay	-	-	-	229,012
Total Expenditures	<u>-</u>	<u>22,129</u>	<u>184,673</u>	<u>229,012</u>
Excess (Deficiency) of Revenues Over Expenditures	351,683	(10,282)	55,866	461,138
Other Financing Sources (Uses)				
Transfers in	144,931	-	-	-
Transfers out	(409,983)	-	-	-
Total Other Financing Sources (Uses)	<u>(265,052)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund Balances	86,631	(10,282)	55,866	461,138
Fund Balances - Beginning, as previously stated	<u>502,072</u>	<u>30,096</u>	<u>127,000</u>	<u>1,989,843</u>
Adjustments	-	-	-	-
Fund Balances - Beginning, as adjusted	<u>502,072</u>	<u>30,096</u>	<u>127,000</u>	<u>1,989,843</u>
Fund Balances (Deficit) - Ending	<u>\$ 588,703</u>	<u>\$ 19,814</u>	<u>\$ 182,866</u>	<u>\$ 2,450,981</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025**

	Juvenile Case Manager Fund	Municipal Court Child Safety Fund	Municipal Building Security Fund	MUD Fire Services Fund
Revenues				
Franchise fees	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	-	-	-	-
Fines and forfeitures	29,874	47,652	27,867	-
Charges for services	-	-	-	1,938,050
Intergovernmental	-	-	-	-
Investment revenue	4,828	7,338	2,906	33,919
Other revenue	-	-	-	-
Total Revenues	<u>34,702</u>	<u>54,990</u>	<u>30,773</u>	<u>1,971,969</u>
Expenditures				
Current:				
General administration	-	50,894	-	-
Public safety	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>50,894</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	34,702	4,096	30,773	1,971,969
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	(45,327)	(7,800)	(25,000)	(1,850,000)
Total Other Financing Sources (Uses)	<u>(45,327)</u>	<u>(7,800)</u>	<u>(25,000)</u>	<u>(1,850,000)</u>
Net change in Fund Balances	(10,625)	(3,704)	5,773	121,969
Fund Balances - Beginning, as previously stated	<u>123,270</u>	<u>181,787</u>	<u>67,653</u>	<u>797,700</u>
Adjustments	-	-	-	-
Fund Balances - Beginning, as adjusted	<u>123,270</u>	<u>181,787</u>	<u>67,653</u>	<u>797,700</u>
Fund Balances (Deficit) - Ending	<u>\$ 112,645</u>	<u>\$ 178,083</u>	<u>\$ 73,426</u>	<u>\$ 919,669</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2025

	Police Federal Forfeiture Fund	Fire Station Number 3 Operating Fund	Cable PEG Fees Fund	CDBG Mitigation Drainage Improvement Fund
Revenues				
Franchise fees	\$ -	\$ -	\$ 26,477	\$ -
Hotel occupancy tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	10,134	-	-	-
Investment revenue	8,650	7,782	14,489	-
Other revenue	-	-	-	-
Total Revenues	<u>18,784</u>	<u>7,782</u>	<u>40,966</u>	<u>-</u>
Expenditures				
Current:				
General administration	-	-	-	-
Public safety	50,407	1,940,733	-	-
Economic development	-	-	-	-
Capital outlay	-	60,493	30,275	-
Total Expenditures	<u>50,407</u>	<u>2,001,226</u>	<u>30,275</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(31,623)	(1,993,444)	10,691	-
Other Financing Sources (Uses)				
Transfers in	-	1,900,000	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,900,000</u>	<u>-</u>	<u>-</u>
Net change in Fund Balances	(31,623)	(93,444)	10,691	-
Fund Balances - Beginning, as previously stated	<u>213,008</u>	<u>143,343</u>	<u>337,321</u>	<u>4,312,099</u>
Adjustments	-	-	-	(4,312,099)
Fund Balances - Beginning, as adjusted	<u>213,008</u>	<u>143,343</u>	<u>337,321</u>	<u>-</u>
Fund Balances (Deficit) - Ending	<u>\$ 181,385</u>	<u>\$ 49,899</u>	<u>\$ 348,012</u>	<u>\$ -</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025**

	Operating Projects Fund	County Mobility Project Fund	2014 General Obligation Fund	2017 Certificates of Obligation Fund
Revenues				
Franchise fees	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	453,628	-	-	-
Investment revenue	45,955	201,094	380	87,390
Other revenue	56,263	-	-	-
Total Revenues	<u>555,846</u>	<u>201,094</u>	<u>380</u>	<u>87,390</u>
Expenditures				
Current:				
General administration	129,981	-	-	-
Public safety	26,659	-	-	-
Economic development	-	-	-	-
Capital outlay	1,118,591	500	-	301,638
Total Expenditures	<u>1,275,231</u>	<u>500</u>	<u>-</u>	<u>301,638</u>
Excess (Deficiency) of Revenues Over Expenditures	(719,385)	200,594	380	(214,248)
Other Financing Sources (Uses)				
Transfers in	561,757	-	-	-
Transfers out	-	-	(2,283)	-
Total Other Financing Sources (Uses)	<u>561,757</u>	<u>-</u>	<u>(2,283)</u>	<u>-</u>
Net change in Fund Balances	(157,628)	200,594	(1,903)	(214,248)
Fund Balances - Beginning, as previously stated	<u>1,426,967</u>	<u>4,724,502</u>	<u>1,903</u>	<u>1,928,481</u>
Adjustments	-	-	-	-
Fund Balances - Beginning, as adjusted	<u>1,426,967</u>	<u>4,724,502</u>	<u>1,903</u>	<u>1,928,481</u>
Fund Balances (Deficit) - Ending	<u>\$ 1,269,339</u>	<u>\$ 4,925,096</u>	<u>\$ -</u>	<u>\$ 1,714,233</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025**

	Street Improvement Fund	Capital Improvement Fund	Seabourne Creek Capacity Fund	Dry Creek Capacity Fund
Revenues				
Franchise fees	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	59,694	-
Intergovernmental	-	2,522,608	-	-
Investment revenue	121,080	379,965	945	104,436
Other revenue	-	-	7,563	-
Total Revenues	121,080	2,902,573	68,202	104,436
Expenditures				
Current:				
General administration	182,251	-	-	-
Public safety	-	-	-	-
Economic development	-	-	-	-
Capital outlay	1,075,740	3,092,403	-	-
Total Expenditures	1,257,991	3,092,403	-	-
Excess (Deficiency) of Revenues Over Expenditures	(1,136,911)	(189,830)	68,202	104,436
Other Financing Sources (Uses)				
Transfers in	1,000,000	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	1,000,000	-	-	-
Net change in Fund Balances	(136,911)	(189,830)	68,202	104,436
Fund Balances - Beginning, as previously stated	2,677,836	9,960,494	3	2,453,566
Adjustments	-	-	-	-
Fund Balances - Beginning, as adjusted	2,677,836	9,960,494	3	2,453,566
Fund Balances (Deficit) - Ending	\$ 2,540,925	\$ 9,770,664	\$ 68,205	\$ 2,558,002

CITY OF ROSENBERG, TEXAS**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE****NON-MAJOR GOVERNMENTAL FUNDS****For the Year Ended September 30, 2025**

	Total Nonmajor Governmental Funds
Revenues	
Franchise fees	\$ 26,477
Hotel occupancy tax	908,443
Fines and forfeitures	129,319
Charges for services	1,997,744
Intergovernmental	3,638,542
Investment revenue	1,191,121
Other revenue	1,017,250
Total Revenues	<u>8,908,896</u>
Expenditures	
Current:	
General administration	363,126
Public safety	2,316,976
Economic development	561,254
Capital outlay	6,010,386
Total Expenditures	<u>9,251,742</u>
Excess (Deficiency) of Revenues Over Expenditures	(342,846)
Other Financing Sources (Uses)	
Transfers in	3,688,688
Transfers out	(2,735,120)
Total Other Financing Sources (Uses)	<u>953,568</u>
Net change in Fund Balances	610,722
Fund Balances - Beginning, as previously stated	<u>33,515,046</u>
Adjustments	<u>(4,312,099)</u>
Fund Balances - Beginning, as adjusted	<u>29,202,947</u>
Fund Balances (Deficit) - Ending	<u>\$ 29,813,669</u>

CITY OF ROSENBERG, TEXAS

**SCHEUDLE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET TO ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS – HOTEL AND MOTEL OCCUPANCY TAX
For the Year Ended September 30, 2025**

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Hotel and motel taxes	\$ 625,000	\$ 625,000	\$ 908,443	\$ 283,443
Investment revenue	30,000	30,000	19,806	(10,194)
Other	51,000	56,000	113,163	57,163
Total Revenues	<u>706,000</u>	<u>711,000</u>	<u>1,041,412</u>	<u>330,412</u>
Expenditures				
Current:				
Community development	556,931	561,931	550,063	11,868
Total Expenditures	<u>556,931</u>	<u>561,931</u>	<u>550,063</u>	<u>11,868</u>
Excess (Deficiency) of Revenues Over Expenditures	149,069	149,069	491,349	342,280
Other Financing Sources (Uses)				
Transfers in	82,000	82,000	82,000	-
Transfers out	(394,727)	(394,727)	(394,727)	-
Total Other Financing Sources (Uses)	<u>(312,727)</u>	<u>(312,727)</u>	<u>(312,727)</u>	<u>-</u>
Net change in Fund Balances	(163,658)	(163,658)	178,622	342,280
Fund Balances - Beginning	572,976	572,976	572,976	-
Fund Balances - Ending	<u>\$ 409,318</u>	<u>\$ 409,318</u>	<u>\$ 751,598</u>	<u>\$ 342,280</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET TO ACTUAL

NONMAJOR SPECIAL REVENUE FUNDS - MUNICIPAL COURT TECHNOLOGY

For the Year Ended September 30, 2025

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Fines and forfeitures	\$ 24,900	\$ 24,900	\$ 23,926	\$ (974)
Investment revenue	100	100	637	537
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>24,563</u>	<u>(437)</u>
Expenditures				
Current:				
Public safety	25,000	25,000	25,000	-
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in Fund Balances	-	-	(437)	(437)
Fund Balances - Beginning	16,446	16,446	16,446	-
Fund Balances - Ending	<u>\$ 16,446</u>	<u>\$ 16,446</u>	<u>\$ 16,009</u>	<u>\$ (437)</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET TO ACTUAL

NONMAJOR SPECIAL REVENUE FUNDS – BEAUTIFICATION

For the Year Ended September 30, 2025

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Investment revenue	\$ 2,000	\$ 2,000	\$ 9,775	\$ 7,775
Other	10,000	10,000	-	(10,000)
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>9,775</u>	<u>(2,225)</u>
Expenditures				
Current:				
Community development	33,150	33,150	11,191	21,959
Total Expenditures	<u>33,150</u>	<u>33,150</u>	<u>11,191</u>	<u>21,959</u>
Net change in Fund Balances	(21,150)	(21,150)	(1,416)	19,734
Fund Balances - Beginning	237,640	237,640	237,640	-
Fund Balances - Ending	<u>\$ 216,490</u>	<u>\$ 216,490</u>	<u>\$ 236,224</u>	<u>\$ 19,734</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET TO ACTUAL

NONMAJOR SPECIAL REVENUE FUNDS – LAW ENFORCEMENT

For the Year Ended September 30, 2025

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Investment revenue	\$ 500	\$ 500	\$ 37,471	\$ 36,971
Intergovernmental	-	-	300,489	300,489
Total Revenues	<u>500</u>	<u>500</u>	<u>337,960</u>	<u>337,460</u>
Expenditures				
Current:				
Public safety	288,000	449,120	169,109	280,011
Total Expenditures	<u>288,000</u>	<u>449,120</u>	<u>169,109</u>	<u>280,011</u>
Net change in Fund Balances	(287,500)	(448,620)	168,851	617,471
Fund Balances - Beginning	689,040	689,040	689,040	-
Fund Balances - Ending	<u>\$ 401,540</u>	<u>\$ 240,420</u>	<u>\$ 857,891</u>	<u>\$ 617,471</u>

CITY OF ROSENBERG, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET TO ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS – COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended September 30, 2025**

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Intergovernmental	\$ 2,245,695	\$ 2,245,695	\$ 351,683	\$ (1,894,012)
Total Revenues	<u>2,245,695</u>	<u>2,245,695</u>	<u>351,683</u>	<u>(1,894,012)</u>
Expenditures				
Current:				
Community development	2,390,626	5,835,387	-	5,835,387
Total Expenditures	<u>2,390,626</u>	<u>5,835,387</u>	<u>-</u>	<u>5,835,387</u>
Excess (Deficiency) of Revenues Over Expenditures	(144,931)	(3,589,692)	351,683	3,941,375
Other Financing Sources (Uses)				
Transfers in	144,931	144,931	144,931	-
Transfers out	-	-	(409,983)	(409,983)
Total Other Financing Sources (Uses)	<u>144,931</u>	<u>144,931</u>	<u>(265,052)</u>	<u>(409,983)</u>
Net change in Fund Balances	-	(3,444,761)	86,631	3,531,392
Fund Balances - Beginning	502,072	502,072	502,072	-
Fund Balances (Deficit) - Ending	<u>\$ 502,072</u>	<u>\$ (2,942,689)</u>	<u>\$ 588,703</u>	<u>\$ 3,531,392</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET TO ACTUAL

NONMAJOR SPECIAL REVENUE FUNDS – POLICE ASSET FORFEITURE

For the Year Ended September 30, 2025

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Investment revenue	\$ 25	\$ 1,675	\$ 1,663	\$ (12)
Other	-	10,150	10,184	34
Total Revenues	<u>25</u>	<u>11,825</u>	<u>11,847</u>	<u>22</u>
Expenditures				
Current:				
Public safety	10,000	22,150	22,129	21
Total Expenditures	<u>10,000</u>	<u>22,150</u>	<u>22,129</u>	<u>21</u>
Net change in Fund Balances	(9,975)	(10,325)	(10,282)	43
Fund Balances - Beginning	30,096	30,096	30,096	-
Fund Balances - Ending	<u>\$ 20,121</u>	<u>\$ 19,771</u>	<u>\$ 19,814</u>	<u>\$ 43</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET TO ACTUAL

NONMAJOR SPECIAL REVENUE FUNDS – ANIMAL CONTROL

For the Year Ended September 30, 2025

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Investment revenue	\$ 50	\$ 50	\$ 5,923	\$ 5,873
Other	165,500	165,500	234,616	69,116
Total Revenues	<u>165,550</u>	<u>165,550</u>	<u>240,539</u>	<u>74,989</u>
Expenditures				
Current:				
Public safety	255,550	255,550	184,673	70,877
Total Expenditures	<u>255,550</u>	<u>255,550</u>	<u>184,673</u>	<u>70,877</u>
Excess (Deficiency) of Revenues Over Expenditures	(90,000)	(90,000)	55,866	145,866
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund Balances	(90,000)	(90,000)	55,866	145,866
Fund Balances - Beginning	127,000	127,000	127,000	-
Fund Balances - Ending	<u>\$ 37,000</u>	<u>\$ 37,000</u>	<u>\$ 182,866</u>	<u>\$ 145,866</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET TO ACTUAL

NONMAJOR SPECIAL REVENUE FUNDS – PARK LAND DEDICATION

For the Year Ended September 30, 2025

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Investment revenue	\$ 350	\$ 350	\$ 94,689	\$ 94,339
Other	5,000	5,000	595,461	590,461
Total Revenues	<u>5,350</u>	<u>5,350</u>	<u>690,150</u>	<u>684,800</u>
Expenditures				
Capital outlay	777,800	916,403	229,012	687,391
Total Expenditures	<u>777,800</u>	<u>916,403</u>	<u>229,012</u>	<u>687,391</u>
Net change in Fund Balances	(772,450)	(911,053)	461,138	1,372,191
Fund Balances - Beginning	1,989,843	1,989,843	1,989,843	-
Fund Balances - Ending	<u>\$ 1,217,393</u>	<u>\$ 1,078,790</u>	<u>\$ 2,450,981</u>	<u>\$ 1,372,191</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET TO ACTUAL

NONMAJOR SPECIAL REVENUE FUNDS – JUVENILE CASE MANAGER

For the Year Ended September 30, 2025

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Fines and forfeitures	\$ 30,300	\$ 30,300	\$ 29,874	\$ (426)
Investment revenue	2,500	2,500	4,828	2,328
Total Revenues	<u>32,800</u>	<u>32,800</u>	<u>34,702</u>	<u>1,902</u>
Expenditures				
Current:				
General government	2,000	2,000	-	2,000
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Excess (Deficiency) of Revenues Over Expenditures	30,800	30,800	34,702	3,902
Other Financing Sources (Uses)				
Transfers out	(45,327)	(45,327)	(45,327)	-
Total Other Financing Sources (Uses)	<u>(45,327)</u>	<u>(45,327)</u>	<u>(45,327)</u>	<u>-</u>
Net change in Fund Balances	(14,527)	(14,527)	(10,625)	3,902
Fund Balances - Beginning	123,270	123,270	123,270	-
Fund Balances - Ending	<u>\$ 108,743</u>	<u>\$ 108,743</u>	<u>\$ 112,645</u>	<u>\$ 3,902</u>

CITY OF ROSENBERG, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET TO ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS – MUNICIPAL COURT CHILD SAFETY
For the Year Ended September 30, 2025**

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Fines and forfeitures	\$ 41,000	\$ 41,000	\$ 47,652	\$ 6,652
Investment revenue	2,500	2,500	7,338	4,838
Total Revenues	<u>43,500</u>	<u>43,500</u>	<u>54,990</u>	<u>11,490</u>
Expenditures				
Current:				
General government	75,000	83,801	50,894	32,907
Total Expenditures	<u>75,000</u>	<u>83,801</u>	<u>50,894</u>	<u>32,907</u>
Excess (Deficiency) of Revenues Over Expenditures	(31,500)	(40,301)	4,096	44,397
Other Financing Sources (Uses)				
Transfers out	(7,800)	(7,800)	(7,800)	-
Total Other Financing Sources (Uses)	<u>(7,800)</u>	<u>(7,800)</u>	<u>(7,800)</u>	<u>-</u>
Net change in Fund Balances	(39,300)	(48,101)	(3,704)	44,397
Fund Balances - Beginning	181,787	181,787	181,787	-
Fund Balances - Ending	<u>\$ 142,487</u>	<u>\$ 133,686</u>	<u>\$ 178,083</u>	<u>\$ 44,397</u>

CITY OF ROSENBERG, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET TO ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS – MUNICIPAL COURT BUILDING SECURITY
For the Year Ended September 30, 2025**

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Fines and forfeitures	\$ 25,000	\$ 25,000	\$ 27,867	\$ 2,867
Investment revenue	500	500	2,906	2,406
Total Revenues	<u>25,500</u>	<u>25,500</u>	<u>30,773</u>	<u>5,273</u>
Expenditures				
Current:				
General government	25,000	25,000	-	25,000
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Excess (Deficiency) of Revenues Over Expenditures	500	500	30,773	30,273
Other Financing Sources (Uses)				
Transfers out	(25,000)	(25,000)	(25,000)	-
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in Fund Balances	(24,500)	(24,500)	5,773	30,273
Fund Balances - Beginning	67,653	67,653	67,653	-
Fund Balances - Ending	<u>\$ 43,153</u>	<u>\$ 43,153</u>	<u>\$ 73,426</u>	<u>\$ 30,273</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET TO ACTUAL

NONMAJOR SPECIAL REVENUE FUNDS – MUD FIRE SERVICES

For the Year Ended September 30, 2025

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Charges for services	\$ 1,850,000	\$ 1,850,000	\$ 1,938,050	\$ 88,050
Investment revenue	5,000	5,000	33,919	28,919
Total Revenues	<u>1,855,000</u>	<u>1,855,000</u>	<u>1,971,969</u>	<u>116,969</u>
Excess (Deficiency) of Revenues Over Expenditures	1,855,000	1,855,000	1,971,969	116,969
Other Financing Sources (Uses)				
Transfers out	<u>(1,850,000)</u>	<u>(1,850,000)</u>	<u>(1,850,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,850,000)</u>	<u>(1,850,000)</u>	<u>(1,850,000)</u>	<u>-</u>
Net change in Fund Balances	5,000	5,000	121,969	116,969
Fund Balances - Beginning	<u>797,700</u>	<u>797,700</u>	<u>797,700</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 802,700</u>	<u>\$ 802,700</u>	<u>\$ 919,669</u>	<u>\$ 116,969</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET TO ACTUAL

NONMAJOR SPECIAL REVENUE FUNDS – POLICE FEDERAL FORFEITURE

For the Year Ended September 30, 2025

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Investment revenue	\$ 1,500	\$ 1,500	\$ 8,650	\$ 7,150
Intergovernmental	-	-	10,134	10,134
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>18,784</u>	<u>17,284</u>
Expenditures				
Current:				
Public safety	56,150	56,150	50,407	5,743
Total Expenditures	<u>56,150</u>	<u>56,150</u>	<u>50,407</u>	<u>5,743</u>
Net change in Fund Balances	(54,650)	(54,650)	(31,623)	23,027
Fund Balances - Beginning	213,008	213,008	213,008	-
Fund Balances - Ending	<u>\$ 158,358</u>	<u>\$ 158,358</u>	<u>\$ 181,385</u>	<u>\$ 23,027</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET TO ACTUAL

NONMAJOR SPECIAL REVENUE FUNDS – FIRE STATION #3 OPERATING

For the Year Ended September 30, 2025

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Investment revenue	\$ 1,500	\$ 1,500	\$ 7,782	\$ 6,282
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>7,782</u>	<u>6,282</u>
Expenditures				
Current:				
Public safety	1,927,777	2,019,565	2,001,226	18,339
Total Expenditures	<u>1,927,777</u>	<u>2,019,565</u>	<u>2,001,226</u>	<u>18,339</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,926,277)	(2,018,065)	(1,993,444)	24,621
Other Financing Sources (Uses)				
Transfers in	1,900,000	1,900,000	1,900,000	-
Total Other Financing Sources (Uses)	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>	<u>-</u>
Net change in Fund Balances	(26,277)	(118,065)	(93,444)	24,621
Fund Balances - Beginning	143,343	143,343	143,343	-
Fund Balances - Ending	<u>\$ 117,066</u>	<u>\$ 25,278</u>	<u>\$ 49,899</u>	<u>\$ 24,621</u>

CITY OF ROSENBERG, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET TO ACTUAL

NONMAJOR SPECIAL REVENUE FUNDS – CABLE PEG FEES

For the Year Ended September 30, 2025

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Franchise fees	\$ 35,000	\$ 35,000	\$ 26,477	\$ (8,523)
Investment revenue	2,500	2,500	14,489	11,989
Total Revenues	<u>37,500</u>	<u>37,500</u>	<u>40,966</u>	<u>3,466</u>
Expenditures				
Capital outlay	75,000	75,000	30,275	44,725
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>30,275</u>	<u>44,725</u>
Net change in Fund Balances	(37,500)	(37,500)	10,691	48,191
Fund Balances - Beginning	337,321	337,321	337,321	-
Fund Balances - Ending	<u>\$ 299,821</u>	<u>\$ 299,821</u>	<u>\$ 348,012</u>	<u>\$ 48,191</u>

CITY OF ROSENBERG, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2025

	Health Insurance Fund	Fleet Replacement Fund	Information Services	Total Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 656,048	\$ 6,591,613	\$ 394,901	\$ 7,642,562
Total current assets	656,048	6,591,613	394,901	7,642,562
Noncurrent assets:				
Capital assets:				
Vehicles, machinery, and equipment	-	8,919,672	681,562	9,601,234
Right-to-use lease equipment	-	-	192,770	192,770
Right-to-use software	-	-	288,152	288,152
Less accumulated depreciation/amortization	-	(4,008,285)	(611,489)	(4,619,774)
Total noncurrent assets	-	4,911,387	550,995	5,462,382
Total Assets	656,048	11,503,000	945,896	13,104,944
Liabilities				
Current liabilities:				
Accounts payable	5,619	50,106	83,250	138,975
Leases payable - current	-	-	48,403	48,403
SBITA payable - current	-	-	61,801	61,801
Total current liabilities:	5,619	50,106	193,454	249,179
Noncurrent liabilities:				
Leases payable	-	-	137,659	137,659
SBITA payable - noncurrent	-	-	67,640	67,640
Total noncurrent liabilities:	-	-	205,299	205,299
Total Liabilities	5,619	50,106	398,753	454,478
Net Position				
Net investment in capital assets	-	4,911,387	235,492	5,146,879
Unrestricted net position	650,429	6,541,507	311,651	7,503,587
Total Net Position	\$ 650,429	\$ 11,452,894	\$ 547,143	\$ 12,650,466

CITY OF ROSENBERG, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended September 30, 2025

	Health Insurance Fund	Fleet Replacement Fund	Information Services	Total Internal Service Funds
Operating Revenues				
Other revenue	\$ 4,574,284	\$ 1,399,874	\$ 1,310,400	\$ 7,284,558
Total Operating Revenues	<u>4,574,284</u>	<u>1,399,874</u>	<u>1,310,400</u>	<u>7,284,558</u>
Operating Expenses				
Repairs and Maintenance	4,595,487	2,961	1,094,651	5,693,099
Depreciation and amortization	-	597,007	157,802	754,809
Total Operating Expenses	<u>4,595,487</u>	<u>599,968</u>	<u>1,252,453</u>	<u>6,447,908</u>
Operating Income (Loss)	<u>(21,203)</u>	<u>799,906</u>	<u>57,947</u>	<u>836,650</u>
Nonoperating Revenues (Expenses)				
Investment earnings	2,938	257,619	8,584	269,141
Interest expense and fiscal charges	-	-	(8,539)	(8,539)
Total Nonoperating Revenues (Expenses)	<u>2,938</u>	<u>257,619</u>	<u>45</u>	<u>260,602</u>
Change in Net Position	<u>(18,265)</u>	<u>1,057,525</u>	<u>57,992</u>	<u>1,097,252</u>
Net Position - Beginning	<u>668,694</u>	<u>10,395,369</u>	<u>489,151</u>	<u>11,553,214</u>
Net Position - Ending	<u>\$ 650,429</u>	<u>\$ 11,452,894</u>	<u>\$ 547,143</u>	<u>\$ 12,650,466</u>

CITY OF ROSENBERG, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2025

	Health Insurance Fund	Fleet Replacement Fund	Information Services	Total Internal Service Funds
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 4,574,284	\$ 1,399,874	\$ 1,310,400	\$ 7,284,558
Payments to suppliers	(4,618,183)	(15,785)	(1,041,340)	(5,675,308)
Net Cash Provided (Used) by Operating Activities	<u>(43,899)</u>	<u>1,384,089</u>	<u>269,060</u>	<u>1,609,250</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	-	(654,615)	(12,000)	(666,615)
Principal payments on leases	-	-	(35,681)	(35,681)
Principal payments on SBITAs	-	-	(57,642)	(57,642)
Interest and fiscal charges	-	-	(8,539)	(8,539)
Net cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(654,615)</u>	<u>(113,862)</u>	<u>(768,477)</u>
Cash Flows from Investing Activities				
Interest on investments	2,938	257,619	8,584	269,141
Net Cash Provided (Used) by Investing Activities	<u>2,938</u>	<u>257,619</u>	<u>8,584</u>	<u>269,141</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(40,961)	987,093	163,782	1,109,914
Beginning Cash and Cash Equivalents	697,009	5,604,520	231,119	6,532,648
Ending Cash and Cash Equivalents	<u>\$ 656,048</u>	<u>\$ 6,591,613</u>	<u>\$ 394,901</u>	<u>\$ 7,642,562</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (21,203)	\$ 799,906	\$ 57,947	\$ 836,650
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization expense	-	597,007	157,802	754,809
Changes in Operating Assets and Liabilities:				
(Increase) decrease in assets:				
Prepays	-	-	4,033	4,033
Increase (decrease) in liabilities:				
Accounts payable	(22,696)	(12,824)	49,278	13,758
Net Cash Provided (Used) by Operating Activities	<u>\$ (43,899)</u>	<u>\$ 1,384,089</u>	<u>\$ 269,060</u>	<u>\$ 1,609,250</u>

**STATISTICAL SECTION
(UNAUDITED)**



STATISTICAL SECTION (UNAUDITED)

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 City's overall financial health.

Financial Trends 130

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.

Revenue Capacity 136

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity 154

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 162

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 166

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City 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 (UNAUDITED)
Last Ten Years
(Accrual Basis of Accounting)

Table 1
Page 1 of 2

	<u>2016</u>	<u>2017</u>	<u>2018*</u>	<u>2019**</u>	<u>2020</u>
Governmental Activities					
Net investment in capital assets	\$ 44,536,858	\$ 39,787,127	\$ 40,381,422	\$ 50,383,520	\$ 54,626,678
Restricted	13,429,994	17,217,918	21,514,250	23,769,902	20,375,159
Unrestricted	9,022,275	10,315,556	6,875,808	(3,291,936)	(2,925,417)
Total Governmental Activities					
Net Position	<u>\$ 66,989,127</u>	<u>\$ 67,320,601</u>	<u>\$ 68,771,480</u>	<u>\$ 70,861,486</u>	<u>\$ 72,076,420</u>
Business-Type Activities					
Net investment in capital assets	\$ 56,850,394	\$ 64,082,657	\$ 65,482,173	\$ 68,980,345	\$ 74,479,660
Unrestricted	18,458,460	19,188,387	19,775,612	24,727,363	24,523,515
Total Business-Type Activities					
Net Position	<u>\$ 75,308,854</u>	<u>\$ 83,271,044</u>	<u>\$ 85,257,785</u>	<u>\$ 93,707,708</u>	<u>\$ 99,003,175</u>
Primary Government					
Investment in capital assets	\$ 101,387,252	\$ 103,869,784	\$ 105,863,595	\$ 119,363,865	\$ 129,106,338
Restricted	13,429,994	17,217,918	21,514,250	23,769,902	20,375,159
Unrestricted	27,480,735	29,503,943	26,651,420	21,435,427	21,598,098
Total Primary Government					
Net Position	<u>\$ 142,297,981</u>	<u>\$ 150,591,645</u>	<u>\$ 154,029,265</u>	<u>\$ 164,569,194</u>	<u>\$ 171,079,595</u>

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.

CITY OF ROSENBERG, TEXAS
NET POSITION BY COMPONENT (UNAUDITED)
Last Ten Years
(Accrual Basis of Accounting)

Table 1
Page 2 of 2

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental Activities					
Net investment in capital assets	\$ 68,230,471	\$ 74,480,486	\$ 83,929,892	\$ 95,281,252	\$ 113,449,534
Restricted	19,353,646	22,977,203	28,965,294	28,608,918	35,518,456
Unrestricted	<u>(2,190,405)</u>	<u>6,261,671</u>	<u>3,757,878</u>	<u>6,593,639</u>	<u>8,591,785</u>
Total Governmental Activities					
Net Position	<u>\$ 85,393,712</u>	<u>\$ 103,719,360</u>	<u>\$ 116,653,064</u>	<u>\$ 130,483,809</u>	<u>\$ 157,559,775</u>
Business-Type Activities					
Net investment in capital assets	\$ 74,332,548	\$ 76,471,567	\$ 76,337,796	\$ 81,715,284	\$ 88,681,932
Unrestricted	<u>25,408,592</u>	<u>28,944,964</u>	<u>37,923,575</u>	<u>44,821,695</u>	<u>45,391,066</u>
Total Business-Type Activities					
Net Position	<u>\$ 99,741,140</u>	<u>\$ 105,416,531</u>	<u>\$ 114,261,371</u>	<u>\$ 126,536,979</u>	<u>\$ 134,072,998</u>
Primary Government					
Investment in capital assets	\$ 142,563,019	\$ 150,952,053	\$ 160,267,688	\$ 176,996,536	\$ 202,131,466
Restricted	19,353,646	22,977,203	28,965,294	28,608,918	35,518,456
Unrestricted	<u>23,218,187</u>	<u>35,206,635</u>	<u>41,681,453</u>	<u>51,415,334</u>	<u>53,982,851</u>
Total Primary Government					
Net Position	<u>\$ 185,134,852</u>	<u>\$ 209,135,891</u>	<u>\$ 230,914,435</u>	<u>\$ 257,020,788</u>	<u>\$ 291,632,773</u>

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.

CITY OF ROSENBERG, TEXAS
CHANGES IN NET POSITION
Last Ten Years
(Accrual Basis of Accounting)

Table 2
Page 1 of 4

Primary Government	2016	2017	2018	2019	2020
Expenses					
Governmental activities:					
General government	\$ 5,350,906	\$ 4,446,334	\$ 5,539,396	\$ 6,562,067	\$ 6,302,066
Public safety	15,997,582	17,405,764	17,388,136	21,781,177	19,633,193
Public works	9,224,710	9,408,265	12,564,950	11,988,077	11,731,795
Community services	3,704,464	3,885,492	3,093,782	3,878,243	3,992,827
Interest on long-term debt	2,225,941	2,362,480	2,311,732	1,716,802	1,356,873
Total governmental activities expenses	<u>36,503,603</u>	<u>37,508,335</u>	<u>40,897,996</u>	<u>45,926,366</u>	<u>43,016,754</u>
Business-type activities:					
Water and Wastewater	9,445,663	10,386,479	10,898,020	13,586,594	13,614,540
Solid Waste	-	-	-	-	-
Civic center rentals	294,626	333,868	479,223	222,330	341,085
Total Business-type activities	<u>9,740,289</u>	<u>10,720,347</u>	<u>11,377,243</u>	<u>13,808,924</u>	<u>13,955,625</u>
Total Expenses	<u>\$ 46,243,892</u>	<u>\$ 48,228,682</u>	<u>\$ 52,275,239</u>	<u>\$ 59,735,290</u>	<u>\$ 56,972,379</u>
Program Revenue					
Governmental activities:					
Charges for services:					
General government	\$ 2,767,182	\$ 2,902,041	\$ 2,923,858	\$ 2,859,478	\$ 2,837,695
Public safety	2,251,968	2,477,945	2,922,656	3,555,298	3,706,558
Public works	4,693,162	4,977,523	5,333,801	5,778,800	6,129,357
Community services	29,291	31,481	27,671	25,005	9,275
Operating grants and contributions	184,004	693,220	1,042,181	742,504	1,366,547
Capital grants and contributions	4,181,490	4,827,839	7,013,826	9,532,748	3,876,159
Total governmental activities	<u>14,107,097</u>	<u>15,910,049</u>	<u>19,263,993</u>	<u>22,493,833</u>	<u>17,925,591</u>
Business-type activities:					
Charges for services:					
Water	9,046,596	10,237,415	11,209,375	13,375,551	12,087,546
Wastewater	5,381,662	5,296,433	5,309,921	5,177,370	5,173,638
Solid Waste	-	-	-	-	-
Civic center rentals	99,385	102,605	121,053	109,534	34,812
Operating grants and contributions	-	155,589	6,788	1,336,750	462,325
Capital grants and contributions	778,401	-	-	-	-
Total Business-type activities	<u>15,306,044</u>	<u>15,792,042</u>	<u>16,647,137</u>	<u>19,999,205</u>	<u>17,758,321</u>
Total Primary Government					
Program Revenues	<u>\$ 29,413,141</u>	<u>\$ 31,702,091</u>	<u>\$ 35,911,130</u>	<u>\$ 42,493,038</u>	<u>\$ 35,683,912</u>

CITY OF ROSENBERG, TEXAS
CHANGES IN NET POSITION
Last Ten Years
(Accrual Basis of Accounting)

Table 2
Page 2 of 4

Primary Government	2021	2022	2023	2024	2025
Expenses					
Governmental activities:					
General government	\$ 7,159,382	\$ 5,560,465	\$ 6,650,592	\$ 7,270,580	\$ 9,753,361
Public safety	18,991,208	19,120,777	21,841,266	22,476,887	23,588,211
Public works	12,493,484	12,720,410	10,267,010	11,557,224	11,637,788
Community services	3,697,149	3,537,282	3,688,036	3,686,913	3,580,926
Interest on long-term debt	1,411,907	1,211,992	1,025,533	2,268,127	2,812,485
Total governmental activities expenses	<u>43,753,130</u>	<u>42,150,926</u>	<u>43,472,437</u>	<u>47,259,731</u>	<u>51,372,771</u>
Business-type activities:					
Water and Wastewater	14,056,202	14,718,206	16,712,465	17,836,188	19,555,677
Solid Waste	-	-	4,483,099	4,538,834	4,771,059
Civic center rentals	344,335	389,171	545,276	705,538	572,716
Total Business-type activities	<u>14,400,537</u>	<u>15,107,377</u>	<u>21,740,840</u>	<u>23,080,560</u>	<u>24,899,452</u>
Total Expenses	<u>\$ 58,153,667</u>	<u>\$ 57,258,303</u>	<u>\$ 65,213,277</u>	<u>\$ 70,340,291</u>	<u>\$ 76,272,223</u>
Program Revenue					
Governmental activities:					
Charges for services:					
General government	\$ 3,190,350	\$ 3,336,356	\$ 3,547,310	\$ 4,428,458	\$ 4,817,509
Public safety	3,059,646	1,881,540	1,975,113	1,595,237	1,180,541
Public works	8,050,346	8,984,274	2,820,523	2,476,597	2,684,816
Community services	25,907	74,172	76,580	85,272	541,621
Operating grants and contributions	996,929	355,086	287,587	565,793	454,918
Capital grants and contributions	4,698,466	6,316,307	8,465,332	11,140,540	23,780,199
Total governmental activities	<u>20,021,644</u>	<u>20,947,735</u>	<u>17,172,445</u>	<u>20,291,897</u>	<u>33,459,604</u>
Business-type activities:					
Charges for services:					
Water	14,187,167	16,876,880	17,133,123	16,539,216	16,202,198
Wastewater	6,042,403	6,683,063	7,221,080	6,639,891	8,561,655
Solid Waste	-	-	5,327,135	5,484,470	5,684,718
Civic center rentals	117,730	154,729	194,477	232,977	262,975
Operating grants and contributions	494,882	94,024	-	2,053,299	322,589
Capital grants and contributions	-	-	-	-	-
Total Business-type activities	<u>20,842,182</u>	<u>23,808,696</u>	<u>29,875,815</u>	<u>30,949,853</u>	<u>31,034,135</u>
Total Primary Government					
Program Revenues	<u>\$ 40,863,826</u>	<u>\$ 44,756,431</u>	<u>\$ 47,048,260</u>	<u>\$ 51,241,750</u>	<u>\$ 64,493,739</u>

CITY OF ROSENBERG, TEXAS
CHANGES IN NET POSITION
Last Ten Years
(Accrual Basis of Accounting)

Table 2
Page 3 of 4

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net (Expense)/Revenue					
Governmental activities	\$ (22,396,506)	\$ (21,598,286)	\$ (21,634,003)	\$ (23,432,533)	\$ (25,091,163)
Business-type activities	5,565,755	5,071,695	5,269,894	6,190,281	3,802,696
Total Primary Government Net Expense	<u>\$ (16,830,751)</u>	<u>\$ (16,526,591)</u>	<u>\$ (16,364,109)</u>	<u>\$ (17,242,252)</u>	<u>\$ (21,288,467)</u>
General Revenues and Other					
Changes in Net Position					
Governmental Activities:					
Taxes and fees:					
Property taxes	\$ 9,573,741	\$ 10,657,377	\$ 11,071,864	\$ 10,875,805	\$ 11,365,321
Sales taxes	11,781,945	12,521,827	14,474,532	14,108,795	14,701,582
Hotel occupancy taxes	642,742	605,264	755,420	537,357	422,436
Investment earnings	202,646	466,386	954,997	1,361,297	556,245
Gain on sale of capital assets	54,717	-	909,746	10,639	-
Other revenues	264,045	420,524	192,669	259,198	424,156
Transfers in (out)	(414,816)	(2,741,618)	2,122,861	(1,630,552)	(1,163,643)
Total Governmental Activities	<u>22,105,020</u>	<u>21,929,760</u>	<u>30,482,089</u>	<u>25,522,539</u>	<u>26,306,097</u>
Business-Type Activities:					
Investment earnings	67,622	148,877	349,995	629,090	329,128
Transfers in (out)	414,816	2,741,618	(2,122,861)	1,630,552	1,163,643
Total Business-Type Activities	<u>482,438</u>	<u>2,890,495</u>	<u>(1,772,866)</u>	<u>2,259,642</u>	<u>1,492,771</u>
Total Primary Government	<u>\$ 22,587,458</u>	<u>\$ 24,820,255</u>	<u>\$ 28,709,223</u>	<u>\$ 27,782,181</u>	<u>\$ 27,798,868</u>
Change in Net Position:					
Governmental activities	\$ (291,486)	\$ 331,474	\$ 8,848,086	\$ 2,090,006	\$ 1,214,934
Business-type activities	6,048,193	7,962,190	3,497,028	8,449,923	5,295,467
Total Primary Government	<u>\$ 5,756,707</u>	<u>\$ 8,293,664</u>	<u>\$ 12,345,114</u>	<u>\$ 10,539,929</u>	<u>\$ 6,510,401</u>

CITY OF ROSENBERG, TEXAS
CHANGES IN NET POSITION
Last Ten Years
(Accrual Basis of Accounting)

Table 2
Page 4 of 4

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net (Expense)/Revenue					
Governmental activities	\$ (23,731,486)	\$ (21,203,191)	\$ (26,299,992)	\$ (26,967,834)	\$ (17,913,167)
Business-type activities	6,441,645	8,701,319	8,134,975	7,869,293	6,134,683
Total Primary Government Net Expense	<u>\$ (17,289,841)</u>	<u>\$ (12,501,872)</u>	<u>\$ (18,165,017)</u>	<u>\$ (19,098,541)</u>	<u>\$ (11,778,484)</u>
General Revenues and Other					
Changes in Net Position					
Governmental Activities:					
Taxes and fees:					
Property taxes	\$ 11,396,110	\$ 11,732,439	\$ 12,808,007	\$ 14,289,335	\$ 14,436,402
Sales taxes	18,578,297	22,465,983	19,853,684	21,283,526	22,018,925
Hotel occupancy taxes	515,834	598,857	660,419	688,494	908,443
Investment earnings	59,245	482,386	3,551,870	5,655,801	5,325,404
Gain on sale of capital assets	-	-	-	-	-
Other revenues	757,590	993,435	1,413,427	917,599	1,438,568
Transfers in (out)	5,741,702	3,255,739	946,289	(2,036,176)	861,391
Total Governmental Activities	<u>37,048,778</u>	<u>39,528,839</u>	<u>39,233,696</u>	<u>40,798,579</u>	<u>44,989,133</u>
Business-Type Activities:					
Investment earnings	38,022	229,811	1,656,154	2,370,139	2,242,705
Transfers in (out)	(5,741,702)	(3,255,739)	(946,289)	2,036,176	(841,369)
Total Business-Type Activities	<u>(5,703,680)</u>	<u>(3,025,928)</u>	<u>709,865</u>	<u>4,406,315</u>	<u>1,401,336</u>
Total Primary Government	<u>\$ 31,345,098</u>	<u>\$ 36,502,911</u>	<u>\$ 39,943,561</u>	<u>\$ 45,204,894</u>	<u>\$ 46,390,469</u>
Change in Net Position:					
Governmental activities	\$ 13,317,292	\$ 18,325,648	\$ 12,933,704	\$ 13,830,745	\$ 27,075,966
Business-type activities	737,965	5,675,391	8,844,840	12,275,608	7,536,019
Total Primary Government	<u>\$ 14,055,257</u>	<u>\$ 24,001,039</u>	<u>\$ 21,778,544</u>	<u>\$ 26,106,353</u>	<u>\$ 34,611,985</u>

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

Table 3
Page 1 of 2

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function					
Property tax	\$ 9,573,741	\$ 10,657,377	\$ 11,071,864	\$ 10,875,805	\$ 11,365,321
Sales tax	11,781,945	12,521,827	14,474,532	14,108,795	14,701,582
Hotel occupancy tax	642,742	605,264	755,420	537,357	422,436
Total General Fund	<u>\$ 21,998,428</u>	<u>\$ 23,784,468</u>	<u>\$ 26,301,816</u>	<u>\$ 25,521,957</u>	<u>\$ 26,489,339</u>

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

Table 3
Page 2 of 2

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Function					
Property tax	\$ 11,396,110	\$ 11,732,439	\$ 12,808,007	\$ 14,289,335	\$ 14,436,402
Sales tax	18,578,297	22,465,983	19,853,684	21,283,526	22,018,925
Hotel occupancy tax	515,834	598,857	660,419	688,494	908,443
Total General Fund	<u>\$ 30,490,241</u>	<u>\$ 34,797,279</u>	<u>\$ 33,322,110</u>	<u>\$ 36,261,355</u>	<u>\$ 37,363,770</u>

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

Table 4
Page 1 of 2

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund					
Non-spendable	\$ 25,289	\$ 35,591	\$ 86,289	\$ 98,792	\$ 80,898
Assigned	-	-	4,293,929	1,750,000	300,000
Unassigned	15,670,160	17,057,874	15,887,549	15,926,869	18,906,187
Total General Fund	<u>\$ 15,695,449</u>	<u>\$ 17,093,465</u>	<u>\$ 20,267,767</u>	<u>\$ 17,775,661</u>	<u>\$ 19,287,085</u>
All Other Governmental Funds					
Non-spendable	\$ -	\$ 1,981	\$ 1,981	\$ 110	\$ 977
Restricted	26,495,326	27,069,605	36,048,452	34,609,621	28,293,018
Committed	-	-	-	-	-
Unassigned	-	(98,147)	(154,614)	-	-
Total All Other Governmental Funds	<u>\$ 26,495,326</u>	<u>\$ 26,973,439</u>	<u>\$ 35,895,819</u>	<u>\$ 34,609,731</u>	<u>\$ 28,293,995</u>

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

Table 4
Page 2 of 2

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Fund					
Non-spendable	\$ 86,994	\$ 97,871	\$ 114,851	\$ 65,957	\$ 55,875
Assigned	300,000	300,000	300,000	300,000	-
Unassigned	18,729,598	20,600,145	19,819,809	19,635,579	22,921,451
Total General Fund	<u>\$ 19,116,592</u>	<u>\$ 20,998,016</u>	<u>\$ 20,234,660</u>	<u>\$ 20,001,536</u>	<u>\$ 22,977,326</u>
All Other Governmental Funds					
Non-spendable	\$ 428	\$ 399	\$ 4,233	\$ 240	\$ 9,239
Restricted	24,088,535	25,342,473	31,079,998	83,578,598	86,536,978
Committed	4,388,768	11,149,825	13,176,995	18,644,322	13,763,794
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 28,477,731</u>	<u>\$ 36,492,697</u>	<u>\$ 44,261,226</u>	<u>\$ 102,223,160</u>	<u>\$ 100,310,011</u>

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

Table 5
Page 1 of 2

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues					
Taxes	\$ 22,027,162	\$ 23,781,562	\$ 26,246,047	\$ 25,529,183	\$ 26,443,259
Franchise fees	1,924,699	1,963,484	1,967,554	1,997,165	1,929,747
Licenses and permits	748,694	753,493	692,388	832,679	1,061,522
Fines and forfeitures	559,799	663,834	675,460	587,367	613,292
Charges for services	4,345,189	4,616,700	5,085,045	5,424,756	5,586,027
Intergovernmental	7,105,930	3,930,169	10,699,195	17,397,749	8,800,747
Investment earnings	189,633	437,116	895,364	1,247,237	556,245
Lease revenue	-	-	-	-	-
Other	304,601	698,751	454,921	857,088	369,445
Total Revenues	<u>37,205,707</u>	<u>36,845,109</u>	<u>46,715,974</u>	<u>53,873,224</u>	<u>45,360,284</u>
Expenditures					
General government	3,864,072	3,787,501	5,030,650	5,724,217	5,333,610
Public safety	14,226,773	15,323,946	15,776,535	17,373,943	18,789,715
Public works	5,590,942	5,894,608	7,130,734	7,361,297	7,507,476
Community development	3,303,417	3,413,792	2,374,504	2,445,485	2,753,123
Capital outlay	10,396,946	5,815,083	8,850,948	12,763,002	6,261,661
Debt service:					
Principal	5,236,922	5,660,000	10,262,726	8,260,000	6,535,000
Interest and fiscal charges	2,224,256	2,246,523	2,170,996	2,100,491	1,720,517
Debt issuance costs	85,470	239,118	306,478	-	126,464
Total Expenditures	<u>44,928,798</u>	<u>42,380,571</u>	<u>51,903,571</u>	<u>56,028,435</u>	<u>49,027,566</u>
Excess of Revenues Over (Under) Expenditures	(7,723,091)	(5,535,462)	(5,187,597)	(2,155,211)	(3,667,282)
Other Financing Sources (Uses)					
Debt Issuance	9,760,000	9,825,000	9,320,000	-	-
Refunding bonds issued	-	7,390,000	4,950,000	-	7,075,000
Premium on bonds issued	209,584	687,315	551,465	-	827,640
Insurance proceeds	21,355	19,900	22,215	34,430	54,711
Payment to Escrow Agent	-	(7,841,447)	-	-	(7,930,738)
Sale of capital assets	39,589	114,505	983,338	10,369	-
Transfers in	5,858,844	6,926,714	7,065,926	11,163,252	8,115,582
Transfers out	(6,573,660)	(9,710,396)	(5,608,665)	(12,831,304)	(9,279,225)
Total Other Financing Sources (Uses)	<u>9,315,712</u>	<u>7,411,591</u>	<u>17,284,279</u>	<u>(1,623,253)</u>	<u>(1,137,030)</u>
Net Change in Fund Balances	<u>\$ 1,592,621</u>	<u>\$ 1,876,129</u>	<u>\$ 12,096,682</u>	<u>\$ (3,778,464)</u>	<u>\$ (4,804,312)</u>
Debt Service as a Percentage of Noncapital Expenditures	20.2%	20.2%	26.7%	23.2%	19.0%

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

Table 5
Page 2 of 2

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues					
Taxes	\$ 30,608,454	\$ 34,787,306	\$ 33,278,366	\$ 36,159,855	\$ 37,569,322
Franchise fees	2,079,378	2,258,659	2,188,901	2,101,155	2,160,620
Licenses and permits	1,080,977	1,330,138	969,545	1,255,263	1,694,828
Fines and forfeitures	813,590	835,251	1,038,587	1,195,828	1,085,562
Charges for services	7,498,177	8,189,522	2,444,345	1,992,296	4,283,477
Intergovernmental	8,468,826	8,317,279	10,514,270	13,162,033	5,056,263
Investment earnings	59,245	437,237	3,247,322	5,329,377	15,061,508
Lease revenue	-	16,887	16,848	16,793	19,354
Other	757,590	993,434	1,413,377	1,326,805	1,419,214
Total Revenues	<u>51,366,237</u>	<u>57,165,713</u>	<u>55,111,561</u>	<u>62,539,405</u>	<u>68,350,148</u>
Expenditures					
General government	6,924,283	5,413,343	6,401,262	7,113,859	7,157,535
Public safety	18,360,549	18,416,333	19,711,980	22,483,096	24,897,194
Public works	8,176,742	8,757,693	5,495,517	6,976,540	7,229,733
Community development	2,678,006	3,064,819	3,004,757	2,335,831	2,583,930
Capital outlay	9,438,100	6,104,275	9,465,915	14,024,595	22,685,550
Debt service:					
Principal	8,910,000	7,665,000	5,375,000	5,405,000	3,955,000
Interest and fiscal charges	1,607,016	1,387,410	1,213,957	1,046,015	4,256,800
Debt issuance costs	-	-	-	491,231	16,050
Total Expenditures	<u>56,094,696</u>	<u>50,808,873</u>	<u>50,668,388</u>	<u>59,876,167</u>	<u>72,781,792</u>
Excess of Revenues Over (Under) Expenditures	(4,728,459)	6,356,840	4,443,173	2,663,238	(4,431,644)
Other Financing Sources (Uses)					
Debt Issuance	-	-	-	46,640,000	-
Refunding bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	5,351,231	-
Insurance proceeds	-	-	-	-	-
Payment to Escrow Agent	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Transfers in	16,610,459	16,920,186	11,008,324	11,170,045	9,511,272
Transfers out	(11,868,757)	(13,380,636)	(8,446,324)	(8,095,704)	(8,649,881)
Total Other Financing Sources (Uses)	<u>4,741,702</u>	<u>3,539,550</u>	<u>2,562,000</u>	<u>55,065,572</u>	<u>861,391</u>
Net Change in Fund Balances	<u>\$ 13,243</u>	<u>\$ 9,896,390</u>	<u>\$ 7,005,173</u>	<u>\$ 57,728,810</u>	<u>\$ (3,570,253)</u>
Debt Service as a Percentage of Noncapital Expenditures	22.4%	19.8%	15.1%	14.6%	15.8%

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

Table 6
Page 1 of 2

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function					
Property tax	\$ 9,602,475	\$ 10,654,471	\$ 11,016,095	\$ 10,883,031	\$ 11,319,241
Sales tax	11,781,945	12,521,827	13,635,372	14,108,795	14,701,582
Hotel occupancy tax	642,742	605,264	755,420	537,357	422,436
Total General Fund	<u>\$ 22,027,162</u>	<u>\$ 23,781,562</u>	<u>\$ 25,406,887</u>	<u>\$ 25,529,183</u>	<u>\$ 26,443,259</u>

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

Table 6
Page 2 of 2

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Function					
Property tax	\$ 11,514,323	\$ 11,722,466	\$ 12,764,263	\$ 14,187,835	\$ 14,641,954
Sales tax	18,578,297	22,465,983	19,853,684	21,283,526	22,018,925
Hotel occupancy tax	515,834	598,857	660,419	688,494	908,443
Total General Fund	<u>\$ 30,608,454</u>	<u>\$ 34,787,306</u>	<u>\$ 33,278,366</u>	<u>\$ 36,159,855</u>	<u>\$ 37,569,322</u>

CITY OF ROSENBERG, TEXAS
TAXABLE SALES BY CATEGORY
Last Ten Years

Table 7
Page 1 of 2

	Calendar Year				
	2016	2017	2018	2019	2020
Manufacturing	\$ 15,128,366	\$ 21,052,228	\$ 43,420,104	\$ 29,373,727	\$ 30,533,925
Construction	5,002,267	5,662,186	7,465,976	7,691,228	8,730,260
Mining/ Oil and Gas	292,920	443,889	3,020,459	1,158,820	901,581
Wholesale Trade	22,074,684	130,506,950	245,773,076	245,773,076	187,419,029
Retail Trade	459,552,768	388,609,753	391,644,609	374,099,855	383,622,170
Information	19,509,936	18,338,120	19,587,627	19,132,131	10,028,151
Finance/Insurance	1,656,975	1,661,182	1,686,975	1,506,495	1,781,072
Real Estate/Rental/Leasing	3,283,675	3,787,231	3,512,415	3,758,665	4,942,862
Professional/Scientific/Technical	2,346,951	2,635,658	2,503,002	2,363,759	2,523,809
Administration/Waste Management	11,318,786	13,902,748	17,984,064	22,391,403	28,254,169
Entertainment/Recreation	1,869,409	4,214,948	5,055,283	5,233,748	3,243,746
Accommodations/Food Services	107,277,110	111,620,479	119,503,935	121,340,113	109,159,482
Other Services	11,417,087	13,201,471	14,263,882	14,159,872	12,373,693
Total	\$ 660,730,934	\$ 715,636,843	\$ 875,421,407	\$ 847,982,892	\$ 783,513,949
City direct sales tax rate	1.5%	1.5%	1.5%	1.5%	1.5%

Source: Texas Comptroller of Public Accounts

*Represents the first three quarters of the 2025 fiscal year. The fourth quarter are not currently available.

CITY OF ROSENBERG, TEXAS
TAXABLE SALES BY CATEGORY
Last Ten Years

Table 7
Page 2 of 2

	Calendar Year				
	2021	2022	2023	2024	2025*
Manufacturing	\$ 44,319,309	\$ 51,028,553	\$ 27,464,859	\$ 21,182,473	\$ 20,773,067
Construction	8,986,521	11,148,621	10,938,762	9,658,056	5,700,374
Mining/ Oil and Gas	423,453	269,825	981,804	4,993,629	2,629,521
Wholesale Trade	447,910,199	749,853,480	478,757,198	453,656,696	326,597,309
Retail Trade	446,800,215	467,822,975	480,259,959	505,608,132	391,927,268
Information	11,003,489	12,294,219	14,206,393	13,396,668	12,406,978
Finance/Insurance	1,579,476	1,867,215	2,071,532	1,956,060	1,443,270
Real Estate/Rental/Leasing	4,860,429	8,713,395	14,198,650	10,624,047	14,765,049
Professional/Scientific/Technical	4,049,143	4,248,187	3,901,721	3,982,090	3,847,727
Administration/Waste Management	34,378,371	32,476,998	35,774,108	41,073,887	34,159,347
Entertainment/Recreation	3,478,808	4,731,248	4,674,787	6,607,712	8,237,104
Accommodations/Food Services	138,140,287	156,769,680	175,383,136	186,817,282	152,119,579
Other Services	16,384,024	18,589,377	19,199,033	19,135,483	14,084,484
Total	\$ 1,162,313,724	\$ 1,519,813,773	\$ 1,267,811,942	\$ 1,278,692,215	\$ 988,691,077
City direct sales tax rate	1.5%	1.5%	1.5%	1.5%	1.5%

Source: Texas Comptroller of Public Accounts

*Represents the first three quarters of the 2025 fiscal year. The fourth quarter are not currently available.

CITY OF ROSENBERG, TEXAS

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years**

Table 8

Page 1 of 2

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Residential Property	\$ 909,775,642	\$ 1,026,346,467	\$ 1,165,054,442	\$ 1,299,128,613	\$ 1,408,588,051
Commercial Property	1,059,601,822	1,331,364,289	1,362,148,541	1,382,895,685	1,453,067,836
Personal Property	301,546,216	288,805,245	348,221,145	390,188,821	411,559,420
Less Tax Exempt Property	(337,543,351)	(447,394,435)	(530,701,399)	(571,037,012)	(615,374,870)
Total Taxable Assessed Value (1)	<u>\$ 1,933,380,329</u>	<u>\$ 2,199,121,566</u>	<u>\$ 2,344,722,729</u>	<u>\$ 2,501,176,107</u>	<u>\$ 2,657,840,437</u>
City direct sales tax rate	\$ 0.4700	\$ 0.4699	\$ 0.5303	\$ 0.4565	\$ 0.4150

Notes:

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.

CITY OF ROSENBERG, TEXAS

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years**

Table 8

Page 2 of 2

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Residential Property	\$ 1,494,231,940	\$ 1,651,616,625	\$ 2,044,820,414	\$ 2,430,181,048	\$ 2,675,855,727
Commercial Property	1,665,885,439	1,901,878,240	2,152,073,783	2,366,800,150	2,750,745,371
Personal Property	403,140,153	474,962,330	561,265,684	611,056,315	604,075,861
Less Tax Exempt Property	<u>(749,208,279)</u>	<u>(877,466,502)</u>	<u>(1,134,402,826)</u>	<u>(1,307,693,454)</u>	<u>(1,488,384,645)</u>
Total Taxable Assessed Value (1)	<u>\$ 2,814,049,253</u>	<u>\$ 3,150,990,693</u>	<u>\$ 3,623,757,055</u>	<u>\$ 4,100,344,059</u>	<u>\$ 4,542,292,314</u>
City direct sales tax rate	\$ 0.4000	\$ 0.3800	\$ 0.3550	\$ 0.3424	\$ 0.3200

Notes:

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.

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

Table 9
Page 1 of 2

		City Direct Rates			Overlapping Rates ⁽¹⁾		Total City	
Tax Rates*		Operating	Debt Service	Total	Fort Bend		Not In	
Fiscal Year	Tax Year	Tax Rate	Rate	Tax Rate	Lamar CISD	County	MUD Total Overlapping Rate	
2016	2015	\$ 0.21626	\$ 0.25374	0.47000	\$ 1.39005	\$0.48600	\$ 2.34605	
2017	2016	0.21434	0.25560	0.46994	1.39005	0.47400	2.33405	
2018	2017	0.27464	0.25566	0.53030	1.39005	0.46900	2.32105	
2019	2018	0.26909	0.18736	0.45645	1.39000	0.46400	2.28400	
2020	2019	0.25411	0.16089	0.41500	1.32000	0.46000	2.19500	
2021	2020	0.13430	0.26570	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	
2024	2023	0.19441	0.14795	0.34236	1.14920	0.43890	1.93046	
2025	2024	0.19704	0.12296	0.32000	1.14690	0.42200	1.88890	

Overlapping Rates (1)

Tax Rates*		Fort Bend MUD #94		Fort Bend MUD #144		For Bend MUD #147	
Fiscal Year	Tax Year	MUD Rate	Overlapping Rate	MUD Rate	Overlapping Rate	MUD Rate	Overlapping Rate
2016	2015	\$0.58000	\$ 2.92605	\$0.80000	\$ 3.14605	\$0.95000	\$ 3.29605
2017	2016	0.50000	2.83405	0.80000	3.13405	0.95000	3.28405
2018	2017	0.47000	2.79105	0.80000	3.12105	0.95000	3.27105
2019	2018	0.40000	2.72400	0.79000	3.07400	0.95000	3.23400
2020	2019	0.43000	2.62500	0.79000	2.98500	0.95000	3.14500
2021	2020	0.42265	2.54496	0.79000	2.91231	0.95000	3.07231
2022	2021	0.41426	2.48906	0.77000	2.84480	0.95000	0.02480
2023	2022	0.37500	2.42120	0.69000	2.73620	0.95000	2.99620
2024	2023	0.34000	2.27046	0.69000	2.62046	0.88840	2.81886
2025	2024	0.34000	2.22890	0.54000	2.42890	0.87180	2.76070

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

Overlapping Rates (1)

Tax Rates*		Fort Bend MUD #148		Fort Bend MUD #159		For Bend MUD #167	
Fiscal Year	Tax Year	MUD Rate	Overlapping Rate	MUD Rate	Overlapping Rate	MUD Rate	Overlapping Rate
2016	2015	\$0.88000	\$3.22605	\$0.72000	\$3.06605	\$0.85000	\$3.19605
2017	2016	0.83000	3.16405	0.72000	3.05405	0.85000	3.18405
2018	2017	0.76000	3.08105	0.72000	3.04105	0.85000	3.17105
2019	2018	0.66000	2.94400	0.72000	3.00400	0.85000	3.13400
2020	2019	0.66000	2.85500	0.72000	2.91500	0.82000	3.01500
2021	2020	0.63000	2.75231	0.71000	2.83231	0.75000	2.87231
2022	2021	0.60000	2.67480	0.70000	2.77480	0.64000	2.71480
2023	2022	0.53500	2.58120	0.67500	2.77480	0.58000	2.62620
2024	2023	0.53500	2.46546	0.66500	2.59546	0.55000	2.48046
2025	2024	0.44000	2.32890	0.65000	2.53890	0.50000	2.38890

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)

Tax Rates*		Fort Bend MUD #225		Fort Bend MUD #232		Fort Bend
Fiscal Year	Tax Year	MUD Rate	Overlapping Rate	MUD Rate	Overlapping Rate	MUD Rate
2016	2015	N/A	\$2.34605	N/A	N/A	N/A
2017	2016	N/A	2.33405	N/A	N/A	N/A
2018	2017	N/A	2.32105	N/A	N/A	N/A
2019	2018	N/A	2.28400	N/A	N/A	N/A
2020	2019	N/A	2.19500	N/A	N/A	N/A
2021	2020	N/A	2.12231	N/A	N/A	0.90000
2022	2021	N/A	2.07480	N/A	N/A	0.90000
2023	2022	1.08500	3.13120	N/A	N/A	0.90000
2024	2023	1.08500	3.01546	N/A	N/A	0.90000
2025	2024	1.08500	2.97390	0.88000	2.76890	0.90000

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).



CITY OF ROSENBERG, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Table 10

Property Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	% of Total Assessed Value	Taxable Assessed Value	Rank	% of Total Assessed Valuation
Brazos TC - Partnership A, LP	\$ 55,667,896	1	1.23%	\$ 75,231,210	1	3.89%
Dolce Rosenberg Master LLC	52,657,178	2	1.16%	24,701,270	4	1.28%
RH Town Center LLC	50,551,008	3	1.11%	-		-
VASP 1 LP	46,217,828	4	1.02%	-		-
Continental 453 Fund LLC	46,045,706	5	1.01%	-		-
GSSW BR Rosenberg LLC	43,463,790	6	0.96%	11,900,000	12	0.62%
Centerpoint Energy Electric	35,068,484	7	0.77%	14,405,210	8	0.75%
Aldi (Texas) LLC	34,307,218	8	0.76%	13,000,380	11	0.67%
3101 Place Acquisition LLC	33,444,944	9	0.74%	14,727,830	7	0.76%
Dollar Tree Distribution Inc	33,148,234	10	0.73%	-		-
Brazos TC - South Partnership A, LP	-		-	44,631,240	2	2.31%
GS Brazos Ranch	-		-	27,750,000	3	1.44%
National Oilwell Downhole Tools	-		-	23,690,770	5	1.23%
Kroger Texas LP	-		-	15,468,220	6	0.80%
Seatex LTD	-		-	13,124,160	9	0.68%
RRR Apartments LTD	-		-	13,020,000	10	0.67%
Subtotal	430,572,286		9.48%	291,650,290		15.08%
Other taxpayers	3,721,679,383		81.93%	1,338,240,589		69.22%
Total	\$ 4,152,251,669		100.89%	\$ 1,629,890,879		99.39%

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

CITY OF ROSENBERG, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Years

Table 11
Page 1 of 2

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Tax Levy	\$ 9,533,916	\$ 10,597,320	\$ 11,002,050	\$ 10,828,689	\$ 11,069,518
Current tax collected	9,452,428	10,499,723	10,853,779	10,690,573	10,987,474
Percentage of current tax collections	99.15%	99.08%	98.65%	98.72%	99.26%
Delinquent tax collections	83,002	86,223	135,287	124,676	75,162
	<u>\$ 9,535,430</u>	<u>\$ 10,585,946</u>	<u>\$ 10,989,066</u>	<u>\$ 10,815,249</u>	<u>\$ 11,062,636</u>
Tax collections as a percentage of current levy	99.94%	99.88%	99.82%	99.76%	99.68%
Outstanding delinquent taxes	<u>\$ 6,124</u>	<u>\$ 12,599</u>	<u>\$ 17,046</u>	<u>\$ 26,247</u>	<u>\$ 24,137</u>

Source: Tax assessor/collector's records.

CITY OF ROSENBERG, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Years

Table 11
Page 2 of 2

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Tax Levy	\$ 11,375,366	\$ 11,522,885	\$ 12,817,375	\$ 14,291,096	\$ 14,692,801
Current tax collected	11,344,205	11,496,289	12,692,411	14,141,956	14,514,461
Percentage of current tax collections	99.73%	99.77%	99.03%	98.96%	98.79%
Delinquent tax collections	29,239	7,834	(25,746)	(86,551)	-
	<u>\$ 11,373,444</u>	<u>\$ 11,504,123</u>	<u>\$ 12,666,665</u>	<u>\$ 14,055,405</u>	<u>\$ 14,514,461</u>
Tax collections as a percentage of current levy	99.80%	99.77%	99.03%	98.96%	98.79%
Outstanding delinquent taxes	<u>\$ 23,121</u>	<u>\$ 26,596</u>	<u>\$ 124,964</u>	<u>\$ 149,140</u>	<u>\$ 178,339</u>

Source: Tax assessor/collector's records.

CITY OF ROSENBERG, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Years

Table 12
Page 1 of 2

	Fiscal Year				
	2016	2017	2018	2019	2020
Primary Government					
Governmental Activities:					
General obligation bonds	\$ 12,050,000	\$ 15,460,000	\$ 18,725,000	\$ 14,825,000	\$ 17,725,000
Certificates of obligation	55,265,000	55,595,000	56,425,000	52,060,000	41,915,000
Leases payable	-	-	-	-	-
Subscription liabilities	-	-	-	-	-
Bond issuance premiums	1,054,554	1,613,624	1,999,347	1,636,091	1,973,162
Total Governmental Activities	\$ 68,369,554	\$ 72,668,624	\$ 77,149,347	\$ 68,521,091	\$ 61,613,162
Business-type Activities:					
Revenue bonds	\$ 273,000	\$ 252,000	\$ 231,000	\$ 210,000	\$ 189,000
Capital finance agreements	1,819,225	1,215,771	1,051,607	944,544	706,988
Notes payable	1,251,607	1,154,959	594,009	-	-
Total business-type Activities	3,343,832	2,622,730	1,876,616	1,154,544	895,988
Total Primary Government	\$ 71,713,386	\$ 75,291,354	\$ 79,025,963	\$ 69,675,635	\$ 62,509,150
Personal income*	\$ 791,108,406	\$ 809,855,904	\$ 827,095,500	\$ 884,064,540	\$ 914,403,852
Debt as a percentage of personal income	9.06%	9.30%	9.55%	7.88%	6.48%
Population*	35,151	35,894	36,750	37,516	38,282
Debt per capita	\$ 2,040	\$ 2,092	\$ 2,150	\$ 1,857	\$ 1,633

*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

CITY OF ROSENBERG, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Years

Table 12
Page 2 of 2

	Fiscal Year				
	2021**	2022	2023***	2024	2025
Primary Government					
Governmental Activities:					
General obligation bonds	\$ 15,970,000	\$ 14,150,000	\$ 12,265,000	\$ 56,955,000	\$ 54,615,000
Certificates of obligation	34,760,000	28,915,000	25,425,000	21,970,000	20,355,000
Leases payable	201,428	144,177	86,712	28,973	186,062
Subscription liabilities	-	-	241,098	187,083	129,441
Bond issuance premiums	1,789,143	1,605,124	1,421,105	6,261,079	5,842,222
Total Governmental Activities	<u>\$ 52,720,571</u>	<u>\$ 44,814,301</u>	<u>\$ 39,438,915</u>	<u>\$ 85,402,135</u>	<u>\$ 81,127,725</u>
Business-type Activities:					
Revenue bonds	\$ 164,000	\$ 147,000	\$ 122,000	\$ 101,000	\$ 80,000
Capital finance agreements	262,902	-	-	-	-
Notes payable	-	-	-	-	-
Total business-type Activities	<u>426,902</u>	<u>147,000</u>	<u>122,000</u>	<u>101,000</u>	<u>80,000</u>
Total Primary Government	<u>\$ 53,147,473</u>	<u>\$ 44,961,301</u>	<u>\$ 39,560,915</u>	<u>\$ 85,503,135</u>	<u>\$ 81,207,725</u>
Personal income*	\$ 978,024,450	\$ 1,029,347,498	\$ 1,094,005,106	\$ 1,188,735,912	\$ 1,257,328,276
Debt as a percentage of personal income	4.43%	4.37%	3.62%	7.19%	6.46%
Population*	40,001	40,346	40,739	43,092	44,678
Debt per capita	\$ 1,329	\$ 1,114	\$ 971	\$ 1,984	\$ 1,818

*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

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

Table 13
Page 1 of 2

	Fiscal Year				
	2016	2017	2018	2019	2020
Net taxable assessed value					
All property	\$ 1,933,380,329	\$ 2,199,121,566	\$ 2,344,722,729	\$ 2,501,176,107	\$ 2,657,840,437
Net bonded debt					
General obligation bonds	\$ 12,050,000	\$ 15,460,000	\$ 18,725,000	\$ 14,825,000	\$ 17,725,000
Certificates of obligation	55,265,000	55,595,000	56,425,000	52,060,000	41,915,000
Bond issuance premiums	1,054,554	1,613,624	1,999,347	1,636,091	1,973,162
Less debt service funds	5,028,226	5,681,677	5,900,145	5,839,495	5,856,535
Total General Bonded Debt	\$ 63,341,328	\$ 66,986,947	\$ 71,249,202	\$ 62,681,596	\$ 55,756,627
Percentage of actual taxable value of property	328.00%	3.05%	3.04%	2.51%	2.10%
Population*	35,151	35,894	36,750	37,516	38,282
Per capita	\$ 1,802	\$ 1,862	\$ 1,939	\$ 1,671	\$ 1,456

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

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

Table 13
Page 2 of 2

	Fiscal Year				
	2021	2022	2023	2024	2025
Net taxable assessed value					
All property	\$ 2,814,049,253	\$ 3,150,990,693	\$ 3,623,757,055	\$ 4,100,344,059	\$ 4,545,611,759
Net bonded debt					
General obligation bonds	\$ 15,970,000	\$ 14,150,000	\$ 12,265,000	\$ 56,955,000	\$ 54,615,000
Certificates of obligation	34,760,000	28,915,000	25,425,000	21,970,000	20,355,000
Bond issuance premiums	1,789,143	1,605,124	1,421,105	6,261,079	5,842,222
Less debt service funds	5,077,025	4,882,720	5,003,368	4,824,512	5,779,949
Total General Bonded Debt	\$ 47,442,118	\$ 39,787,404	\$ 34,107,737	\$ 80,033,222	\$ 86,592,171
Percentage of actual taxable value of property	1.69%	1.26%	0.94%	1.95%	1.90%
Population*	400,001	40,346	40,739	43,092	44,678
Per capita	\$ 1,186	\$ 986	\$ 837	\$ 1,857	\$ 1,938

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



CITY OF ROSENBERG, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Table 14

Name of Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Fort Bend County	\$ 1,235,264,389	3.76%	\$ 46,445,941
Fort Bend County Drainage District	21,645,000	3.76%	813,852
Fort Bend MUD No. 94	1,920,000	100.00%	1,920,000
Fort Bend MUD No. 144	30,195,000	100.00%	30,195,000
Fort Bend MUD No. 147	18,890,000	100.00%	18,890,000
Fort Bend MUD No. 148	4,685,000	100.00%	4,685,000
Fort Bend MUD No. 152	48,130,000	0.27%	129,951
Fort Bend MUD No. 159	4,790,000	100.00%	4,790,000
Fort Bend MUD No. 167	21,230,000	100.00%	21,230,000
Fort Bend MUD No. 225	10,170,000	100.00%	10,170,000
Fort Bend MUD No. 232	8,650,000	100.00%	8,650,000
Fort Bend MUD No. 233	24,165,000	100.00%	24,165,000
Lamar Consolidated Independent School District	3,058,595,000	14.35%	438,908,383
Total Overlapping Rates			<u>610,993,127</u>
City direct debt	\$ 81,127,725	100.00%	<u>81,127,725</u>
Total Direct and Overlapping Debt			<u><u>\$ 692,120,852</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

Table 15
Page 1 of 2

	2016	2017	2018	2019	2020
Debt limit	\$ 203,925,239	\$ 219,912,157	\$ 234,472,273	\$ 250,117,611	\$ 265,784,044
Total Net Debt Applicable to Limit	62,286,774	65,562,263	60,984,855	61,045,505	53,783,465
Legal debt margin	\$ 141,638,465	\$ 154,349,894	\$ 173,487,418	\$ 189,072,106	\$ 212,000,579
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	30.54%	29.81%	2601.00%	24.41%	20.24%
Legal Debt Margin Calculation by Fiscal Year					
Assessed value	\$ 2,039,252,388	\$ 2,199,121,566	\$ 2,344,722,729	\$ 2,501,176,107	\$ 2,657,840,437
Debt limit (10% of assessed value)	203,925,239	219,912,157	234,472,273	250,117,611	265,784,044
Debt applicable to limit:					
General obligation bonds	67,315,000	75,150,000	66,885,000	66,885,000	59,640,000
Less: amount set aside for obligation debt	(5,028,226)	(5,681,677)	(5,900,145)	(5,839,495)	(5,856,535)
Total Net Debt Applicable to Limit	62,286,774	69,468,323	60,984,855	61,045,505	53,783,465
Legal debt margin	\$ 141,638,465	\$ 150,443,834	\$ 173,487,418	\$ 189,072,106	\$ 212,000,579

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.

CITY OF ROSENBERG, TEXAS
LEGAL DEBT MARGIN INFORMATION
Last Ten Years

Table 15
Page 2 of 2

	2021	2022	2023	2024	2025
Debt limit	\$ 281,404,925	\$ 315,099,069	\$ 362,375,706	\$ 410,034,406	\$ 454,229,231
Total Net Debt Applicable to Limit	45,820,975	38,329,280	32,808,632	73,873,143	69,831,241
Legal debt margin	\$ 235,583,950	\$ 276,769,789	\$ 329,567,074	\$ 336,161,263	\$ 384,397,990
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.28%	12.16%	9.05%	18.02%	15.37%
Legal Debt Margin Calculation by Fiscal Year					
Assessed value	\$ 2,814,049,253	\$ 3,150,990,693	\$ 3,623,757,055	\$ 4,100,344,059	\$ 4,542,292,314
Debt limit (10% of assessed value)	281,404,925	315,099,069	362,375,706	410,034,406	454,229,231
Debt applicable to limit:					
General obligation bonds	50,898,000	43,212,000	37,812,000	79,026,000	75,050,000
Less: amount set aside for obligation debt	(5,077,025)	(4,882,720)	(5,003,368)	(5,152,857)	(5,218,759)
Total Net Debt Applicable to Limit	45,820,975	38,329,280	32,808,632	73,873,143	69,831,241
Legal debt margin	\$ 235,583,950	\$ 276,769,789	\$ 329,567,074	\$ 336,161,263	\$ 384,397,990

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.

CITY OF ROSENBERG, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Table 16

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate
2016	35,151	\$ 791,108,406	22,506	32.00	30,891	5.0%
2017	35,984	809,855,904	22,506	32.00	32,391	4.0%
2018	36,750	827,095,500	22,506	32.00	33,641	3.9%
2019	37,516	884,064,540	23,565	32.00	35,391	3.4%
2020	38,282	914,403,852	23,886	33.80	36,820	7.2%
2021	40,001	978,024,450	24,450	33.60	39,171	5.9%
2022	40,346	1,029,347,498	25,513	32.70	42,876	3.9%
2023	40,739	1,094,005,106	26,854	31.20	44,895	4.5%
2024	43,092	1,188,735,912	27,586	31.30	47,173	4.4%
2025	44,678	1,257,328,276	28,142	31.30	49,085	4.8%

(1) Internal City estimates

(2) Bureau of the Census/ESRI Profile

(3) Lamar Consolidated Independent School District

CITY OF ROSENBERG, TEXAS

Table 17

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

<u>Employer</u>	<u>2025</u>			<u>2016</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Lamar Consolidated Independent School District	7,456	1	36.36%	4,848	1	28.55%
Fort Bend County Offices - Annex	1,660	2	8.10%	328	4	1.93%
Frito Lay, Inc.	870	3	4.24%	470	3	2.77%
Dollar Tree	628	4	3.06%			
Texana Center	440	5	2.15%	500	2	2.94%
Si Environmental	363	6	1.77%	165	9	0.97%
City of Rosenberg	326	7	1.59%	315	5	1.86%
Benedittini Cabinetry	268	8	1.31%	302	6	1.78%
Biotics Research Corporation	218	9	1.06%	175	8	1.03%
OcuSoft	200	10	0.98%			
Kroger	180			278	7	1.64%
Seatex				131	10	0.77%
Total	<u>12,609</u>		<u>60.61%</u>	<u>7,512</u>		<u>44.24%</u>

Source: City of Rosenberg Economic Development

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

Table 18
Page 1 of 2

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government	33	34	34	34	34
Public Safety					
Police	76	82	82	88	90
Civilians	28	28	28	28	28
Animal control	3	4	4	5	5
Fire					
Firefighters	52	52	53	59	59
Civilians	2	2	2	2	2
Public Works					
Streets and drainage	18	19	19	19	19
Building Maintenance	-	2	2	2	2
Fleet maintenance	5	5	5	5	5
Community Development					
Planning	5	5	5	5	5
Code enforcement	8	8	9	9	11
Health	2	2	2	2	2
Parks and Recreation	10	9	9	9	9
Hotel and motel	1	1	1	1	1
Civic center	4	3	3	3	3
Water & wastewater	27	27	28	29	29
Total	<u>274</u>	<u>283</u>	<u>286</u>	<u>300</u>	<u>304</u>

Source: City personnel records

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

Table 18
Page 2 of 2

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Government	34	36	40	40	40
Public Safety					
Police	75	78	78	79	81
Civilians	25	25	25	25	26
Animal control	5	5	6	7	8
Fire					
Firefighters	59	59	61	65	65
Civilians	2	2	2	2	2
Public Works					
Streets and drainage	19	20	20	20	21
Building Maintenance	2	2	2	4	4
Fleet maintenance	5	5	5	5	6
Community Development					
Planning	5	5	5	5	5
Code enforcement	11	12	12	12	12
Health	2	2	2	2	2
Parks and Recreation	8	8	7	8	9
Hotel and motel	1	1	1	1	1
Civic center	3	3	3	4	4
Water & wastewater	29	32	34	34	36
Total	<u>285</u>	<u>295</u>	<u>303</u>	<u>313</u>	<u>322</u>

Source: City personnel records

CITY OF ROSENBERG, TEXAS
OPERATING INDICATORS BY FUNCTION
Last Ten Years

Table 19
Page 1 of 2

Function/Program	2016	2017	2018	2019	2020
Police:					
Arrests	2,616	2,460	2,272	2,041	1,719
Accident reports	977	1,083	1,041	1,064	905
Citations	5,098	5,530	5,037	4,970	5,130
Offense reports	3,871	3,887	3,666	3,099	2,682
Calls for service	45,907	52,738	53,253	**61,010	60,929
Fire:					
Emergency responses	4,506	5,076	5,131	5,371	5,512
Fire incidents	*1,370	1,507	1,767	1,617	671
Service calls and other calls	3,036	3,419	3,207	3,754	4,841
Automatic aid, mutual aid given	153	150	157	156	74
Water:					
Average daily consumption (millions of gallons)	3.94	4.09	4.30	5.90	5.40
Total consumption (millions of gallons)	1,438.00	1,493.00	1,680.30	2,170.00	1,977.80
Peak daily consumption	8.60	6.90	11.20	7.98	10.70
Sewer:					
Average daily sewage treatment (millions of gallons)	3.01	3.23	2.90	3.36	3.05
Total consumption (millions of gallons)	1,098.00	1,179.00	1,070.00	1,228.75	1,112.20
Peak daily consumption (millions of gallons)	9.63	25.17	23.00	19.00	13.10

Sources: 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

CITY OF ROSENBERG, TEXAS
OPERATING INDICATORS BY FUNCTION
Last Ten Years

Table 19
Page 2 of 2

Function/Program	2021	2022	2023	2024	2025
Police:					
Arrests	1,701	2,141	1,859	1,956	1,955
Accident reports	974	921	898	1,008	977
Citations	5,751	5,834	6,860	5,374	5,523
Offense reports	3,758	4,132	4,178	4,399	4,098
Calls for service	62,334	62,230	60,202	65,172	65,968
Fire:					
Emergency responses	6,351	6,299	6,781	7,274	7,819
Fire incidents	2,145	1,897	2,341	1,029	1,226
Service calls and other calls	4,206	4,402	4,440	6,245	6,404
Automatic aid, mutual aid given	177	113	225	100	189
Water:					
Average daily consumption (millions of gallons)	5.84	6.40	5.78	8.31	8.71
Total consumption (millions of gallons)	2,131.81	2,337.06	2,110.30	3,033.96	3,180.61
Peak daily consumption	10.66	9.05	14.20	11.65	11.62
Sewer:					
Average daily sewage treatment (millions of gallons)	3.56	3.34	3.74	3.97	4.11
Total consumption (millions of gallons)	1,299.82	1,218.50	1,363.16	1,449.90	1,501.42
Peak daily consumption (millions of gallons)	14.66	10.14	11.17	16.07	8.88

Sources: 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

CITY OF ROSENBERG, TEXAS
WATER AND SEWER RATES

Table 20

Water Rates

Rates for single- family residences are as follows:

First 2,000 gallons	\$12.00 minimum
2,001 - 10,000 gallons	\$2.60 per 1,000 gallons
10,001 - 20,000 gallons	\$2.80 per 1,000 gallons
20,001 - 50,000 gallons	\$2.90 per 1,000 gallons
over 50,000 gallons	\$3.00 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	\$12
1" Meter	\$35
1 1/2" Meter	\$55
2" Meter	\$65
3" Meter	\$120
4" Meter	\$240
6" Meter	\$360
8" Meter	\$550
10" Meter	\$675
12" Meter	\$825

All water usage over 2,000 gallons:

2,000 - 10,000 gallons	\$2.60 per 1,000 gallons
10,001 - 20,000 gallons	\$2.80 per 1,000 gallons
20,001 - 50,000 gallons	\$2.90 per 1,000 gallons
over 50,000 gallons	\$3.00 per 1,000 gallons

Subsidence Rates

For all water used, the fee is \$2.75 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	\$3.20 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
1" Meter	\$30
1 1/2" Meter	\$45
2" Meter	\$55
3" Meter	\$120
4" Meter	\$195
6" Meter	\$375
8" Meter	\$600

All sewer used over 2,000 gallons is charged at \$3.20 per 1,000 gallons.

TOP TEN WATER CUSTOMERS

Rank	Customer	Type of Property	Consumption in Gallons	Revenue
1	Urban Brittany Square LP	Apartments	17,958,000	\$ 56,584
2	3101 Place Acquisition LLC	Apartments	13,114,700	43,494
3	FBE SFM LLC (Epicenter)	Commercial	13,000,000	43,150
4	Allied Concrete	Apartments	12,902,900	39,318
5	Westwood Village Apartments	Apartments	12,601,200	38,413
6	Springs at Summer Park	Apartments	11,719,900	39,309
7	Reading Park Apartments	Apartments	11,705,600	39,266
8	Brazos Ranch Apartment Homes	Apartments	11,089,400	39,698
9	Fort Bend County MUD #253	Apartments	10,992,900	55,925
10	Kings Arms Apartments	Apartments	10,877,500	33,902
	Total		125,962,100	\$ 429,059

TOP TEN SEWER CUSTOMERS

Rank	Customer	Type of Property	Consumption in Gallons	Revenue
1	Urban Brittany Square LP	Apartments	17,958,000	\$ 59,729
2	3101 Place Acquisition LLC	Apartments	13,114,700	46,390
3	FBE SFM LLC (Epicenter)	Commercial	13,000,000	46,023
4	Westwood Village Apartments	Apartments	12,601,200	40,907
5	Springs at Summer Park	Apartments	11,719,900	41,927
6	Reading Park Apartments	Apartments	11,705,600	41,881
7	Brazos Ranch Apartment Homes	Apartments	11,089,400	42,609
8	Kings Arms Apartments	Apartments	10,877,500	36,171
9	MACK Rosenberg LLC	Apartments	7,952,700	27,712
10	Vaman Investments LLC	Apartments	7,839,100	25,668
	Total		117,858,100	\$ 409,017

CITY OF ROSENBERG, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Years

Table 22
Page 1 of 2

Function/Program	2016	2017	2018	2019	2020
Public safety					
Police stations	1	1	1	1	1
Police units	47	49	49	51	50
Fire stations	3	3	3	3	3
Public works					
Streets (miles)	158	159	159	164	160
Parks and recreation					
Parks acreage	445	445	445	469	469
Parks	9	9	9	9	9
Water and sewer					
Water mains (miles)	180	184	186	193	200
Fire hydrants	1,353	1,387	1,328	1,486	15,559
Maximum daily capacity (thousands of gallons)	8,230	11,838	11,838	11,838	11,838
Sanitary sewers (miles)	151	154	154	159	165
Storm sewers (miles)	84	91	92	97	102
Maximum daily treatment capacity (thousands of miles)	6,525	6,525	6,525	6,525	6,525

Sources: Various city departments.

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

CITY OF ROSENBERG, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Years

Table 22
Page 2 of 2

Function/Program	2021	2022	2023	2024	2025
Public safety					
Police stations	1	1	1	1	1
Police units	51	53	53	53	55
Fire stations	3	3	4	4	4
Public works					
Streets (miles)	160	160	160	173	181
Parks and recreation					
Parks acreage	469	469	469	469	469
Parks	9	9	9	9	9
Water and sewer					
Water mains (miles)	203	209	215	218	229
Fire hydrants	1,596	1,653	1,730	1,774	1,910
Maximum daily capacity (thousands of gallons)	11,838	11,838	11,838	11,838	11,838
Sanitary sewers (miles)	169	171	175	178	184
Storm sewers (miles)	105	108	114	118	128
Maximum daily treatment capacity (thousands of miles)	65,252	6,525	6,525	6,525	6,525

Sources: Various city departments.

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

