

# CITY OF ROSENBERG

## Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2022



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*ANNUAL  
COMPREHENSIVE  
FINANCIAL REPORT*

of the

**CITY OF ROSENBERG, TEXAS**

**For the Year Ended  
September 30, 2022**

**Prepared by:**

**John Maresh  
City Manager**

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

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# CITY OF ROSENBERG, TEXAS

## TABLE OF CONTENTS

September 30, 2022

	<u>Page</u>
<b><u>INTRODUCTORY SECTION</u></b>	
Letter of Transmittal	3
Organizational Chart	8
Certificate of Achievement for Excellence in Financial Reporting	9
Principal Officials	10
<b><u>FINANCIAL SECTION</u></b>	
<b>Independent Auditors' Report</b>	13
<b>Management's Discussion and Analysis (Required Supplementary Information)</b>	19
<b><u>BASIC FINANCIAL STATEMENTS</u></b>	
<b>Government-Wide Financial Statements</b>	
Statement of Net Position	29
Statement of Activities	30
<b>Fund Financial Statements</b>	
<b>Governmental Funds Financial Statements</b>	
Balance Sheet – Governmental Funds	32
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	35
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	39
<b>Proprietary Funds Financial Statements</b>	
Statement of Net Position	40
Statement of Revenues, Expenses, and Changes in Fund Net Position	43
Statement of Cash Flows	44
<b>Notes to Financial Statements</b>	47
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
General Fund	88
RDC Projects Fund	91
Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System (TMRS)	92
Schedule of Contributions – Texas Municipal Retirement System (TMRS)	94
Schedule of Changes in Total OPEB Liability and Related Ratios – Supplemental Death Benefits	96
Schedule of Changes in Total OPEB Liability and Related Ratios – Retiree Health Care Benefit Plan	98

# CITY OF ROSENBERG, TEXAS

## TABLE OF CONTENTS (Continued)

September 30, 2022

### COMBINING STATEMENTS AND SCHEDULES

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	103
Debt Service Fund	
Combining Balance Sheet – Nonmajor Governmental Funds	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	112
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Nonmajor Special Revenue Funds:	
Hotel/Motel Occupancy Tax Fund	118
Municipal Court Technology Fund	118
Beautification Fund	119
Law Enforcement Fund	119
Community Development Block Grant Fund	120
Police Asset Forfeiture Fund	120
Park Land Dedication Fund	121
Juvenile Case Manager Fund	121
Municipal Court Child Safety Fund	122
Municipal Court Building Security Fund	122
MUD Fire Fund	123
Police Federal Forfeiture Fund	123
Fire Station #3 Fund	124
Cable PEG Fees Fund	124
CDBG Mitigation Drainage Improvement Fund	125
Internal Service Funds	
Combining Statement of Net Position	
Combining Statement of Revenues, Expenses, and Changes in Net Position	127 129
Combining Statement of Cash Flows	131

### STATISTICAL SECTION

Net Position by Component	134
Changes in Net Position	136
Tax Revenues by Source, Governmental Activities	140
Fund Balances, Governmental Funds	142
Changes in Fund Balances, Governmental Funds	144
Tax Revenues by Source, Governmental Funds	146
Taxable Sales by Category	148
Assessed and Estimated Actual Value of Taxable Property	150
Property Tax Rates – Direct and Overlapping Governments	152
Principal Property Taxpayers	155
Property Tax Levies and Collections	156
Ratios of Outstanding Debt by Type	158
Ratios of General Bonded Debt Outstanding	160
Direct and Overlapping Governmental Activities Debt	163
Legal Debt Margin Information	164

# CITY OF ROSENBERG, TEXAS

## TABLE OF CONTENTS (Continued)

September 30, 2022

### STATISTICAL SECTION, Continued

### Page

Debt Service Fund Projections for Fiscal Year 2023	167
Computation of Self-Supporting Debt	169
Demographic and Economic Statistics	171
Principal Employers	173
Full-Time Equivalent City Government Employees by Function	174
Operating Indicators by Function	176
Water and Sewer Rates	179
Top Ten Water and Sewer Customers	181
Capital Asset Statistics by Function	182

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## ***INTRODUCTORY SECTION***

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March 21, 2023

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 2022 (FY2022) Annual Comprehensive Financial Report (ACFR) for the dates ranging from October 1, 2021 to September 30, 2022.

This report is published to provide the City Council, staff, citizens, bondholders, and stakeholders with detailed information concerning the financial condition and activities of the City government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

As required by the City Charter, the financial statements have been audited by a firm of certified public accountants. Belt Harris Pechacek, L.L.L.P., has audited the City's FY2022 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, 2022, 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 2022. Rosenberg experienced moderate job and sales tax growth when compared to FY2021. This can be attributed to several factors including residential growth, commercial development and an ongoing Chapter 380 Economic Development Program Agreement with BMC Texas Sales.

The local unemployment rate in FY2022 exhibited a slight decreasing trend compared to FY2021. The City's unemployment rate was 3.9%, which is slightly higher than the state 3.8% and national rate of 3.5%. The average owner-occupied home value increased to \$181,814, up from \$103,151 in 2011.

The total number of permits issued for the year increased from FY2021 to FY2022, with a total of 373 residential certificates of occupancy issued. There were 175 commercial certificates of occupancy, 57 new commercial buildings, and 77 commercial additions/remodels issued in the 2022 fiscal year, demonstrating that leasing existing buildings and constructing new facilities are still growing trends.

The City's general fund sales tax revenue experienced an increase of \$3.8 million from FY2021 to FY2022. This trend remained steady for the first three (3) months of FY23 and has since leveled out for the January and February collections in FY2023.

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

The City of Rosenberg is home to a diverse group of industries including pharmaceutical packaging, machining, manufacturing, chemical blending, telecommunications services, distribution centers, engineering, oil and gas services, and a variety of retail operations. Sources of agricultural income include cotton, grain, and livestock. Additionally, the City is a major retail trade area for antiques, building materials, general merchandise, food stores, and automobiles.

## **LONG-TERM FINANCIAL PLANNING AND RELEVANT FINANCIAL POLICIES**

The City adopts an annual budget, which includes a five-year Capital Improvement Program (CIP). The ultimate purpose of the budget process is to assure that municipal services are provided to the citizens of Rosenberg in the most efficient and effective manner possible, and that service can be maintained at or above current year's levels.

Additionally, the budget process addresses the City's current and future infrastructure needs by identifying and prioritizing capital projects for general street and drainage, and water and wastewater. Available funding for such projects is presented and proposed projects are prioritized.

The City prepares a long-term financial plan on an annual basis for the General Fund and the Water and Wastewater Fund. This plan presents financial information and estimates over a six-year period which includes the actual amounts for the last audited fiscal year, estimates for the current fiscal year, and estimates for four additional years. These forecasts help ensure that the City can continue to meet long-range obligations while maintaining current City services.

City management is responsible for establishing, implementing, and maintaining a framework of internal controls designed to ensure that assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting information is compiled to allow for the preparation of financial statements in conformity with GAAP. The system of internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires estimates and judgments by management.

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

1. *General Guidelines* – The City will establish and maintain a high standard of accounting practices and ensure that the City's accounting system shall conform to GAAP, as prescribed by the Governmental Accounting Standards Board (GASB) for governmental entities. These general guidelines also address the appointment of the Finance/Audit Committee and the selection of an auditor.

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

## **FUTURE ECONOMIC OUTLOOK**

The City’s financial outlook is stable. Standard & Poor’s rating services has assigned an ‘AA-’ long-term rating to Rosenberg. The rating agency commented on the City’s stable financial operations, good financial management policies and practices, and healthy fund balances. Residential and commercial growth, the retail component of Brazos Town Center coupled with a Chapter 380 agreement with BMC Texas Sales continues to impact upward trends for sales tax revenues.

The City’s net property tax valuations increased 15% from the previous year to an appraised value of just over \$3.6 billion in FY2023. The property tax base has expanded approximately 118% since FY2014. The tax base is diverse, with the leading taxpayers accounting for only 13% of the appraised value.

As Fort Bend County builds out, Rosenberg continues to see momentous growth in residential housing development, and the available inventory of large developable land parcels lends itself to continued interest for commercial business and industrial developers.

The RDC and the City work to ensure the economic vitality of the City. This partnership, coupled with a logistic geographic proximity, strong regional economy, and visionary leadership has set the stage for a continuing expansion of Rosenberg’s employment base, a sustained growth of the local economy, and a continually improving quality of life.

The RDC was established in 1995 and takes an active role in the expansion and retention of existing businesses, as well as the recruitment of new business and manufacturing facilities to the Rosenberg area.

The RDC is involved in numerous projects encouraging development and growth including:

- Assisting with the extension of a waterline upgrade along Fairgrounds Road for future development adjacent to the Fort Bend EpiCenter project currently under construction.
- Assisting with the extension of utilities along I-69 from Highway 36 to Kroesche Road for future development along the interstate.
- Assisting the City with funding for the railroad quiet zones as a quality of life improvement project.
- Initiated a long-term strategic project for the revitalization of the Avenue H/Highway 90A corridor.
- Funding for certain City parks improvements, including a shade pavilion for the Travis Park basketball courts and the resurfacing of the Brazos Park basketball court.
- Funding provided for the newly completed Travis Park Splash Pad, to open in the spring 2023.
- Continuation of a partnership with Fort Bend Transit to maintain and grow public transportation in the City and County.
- Funding new sidewalk connections from residential areas to commercial centers.

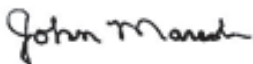
## AWARDS AND ACKNOWLEDGEMENTS

This report has been prepared in accordance with guidelines established by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2021. ***This was the 35<sup>th</sup> consecutive year that the City has received this prestigious award.*** In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation award for its annual budget for FY2022. In order to qualify for this award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

We would like to express appreciation to members of the Finance Department staff who were instrumental in compiling the information required for this report. Other departments within the City were cooperative in providing essential information in a timely and professional manner, and we extend our thanks to them. In addition, we thank the Mayor and members of the City Council for the decisions they have made in the interest of preserving the financial integrity of the City of Rosenberg.

Respectfully submitted,



John Maresh  
City Manager

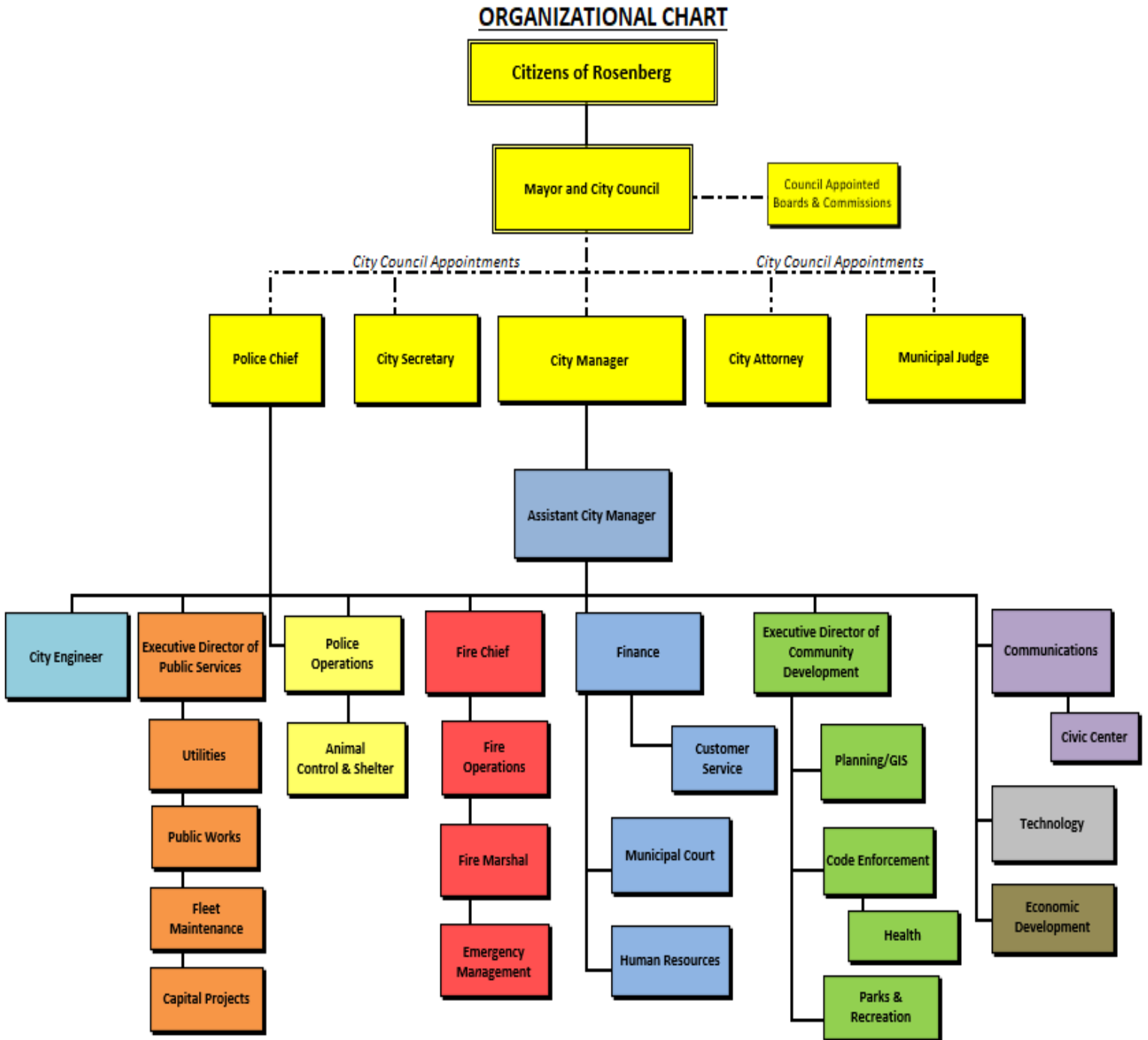


Joyce Vasut  
Assistant City Manager/Director of Finance

# CITY OF ROSENBERG, TEXAS

## ORGANIZATIONAL CHART

September 30, 2022



*CERTIFICATE OF ACHIEVEMENT FOR  
EXCELLENCE IN FINANCIAL REPORTING*



Government Finance Officers Association

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

Presented to

**City of Rosenberg  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO

**CITY OF ROSENBERG, TEXAS**  
**PRINCIPAL OFFICIALS**  
 September 30, 2022

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

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

<b>City Management</b>	<b>Position</b>
Joyce Vasut	Assistant City Manager/Director of Finance
Luis Garza	Assistant Director of Finance
Charles Kalkomey	City Engineer
Tanya Kveton	Director of Communications
Vacant	Director of Economic Development
Ashley Williams	Director of Human Resources
Cary Lamensky	Director of Parks and Recreation
Doug Gorka	Director of Public Works
Shelton Besson	Director of Technology
Eddie De Leon	Director of Utilities
Rigo Calzoncin	Executive Director of Public Services
Travis Tanner	Executive Director of Community Development
Darrell Himly	Fire Chief
Brian Swint	Interim Building Official

***FINANCIAL SECTION***

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## ***INDEPENDENT AUDITORS' REPORT***

To the Honorable Mayor and  
City Council Members of the  
City of Rosenberg, Texas:

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rosenberg, Texas (the "City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2022, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Change in Accounting Principle**

As described in Note I.F.8. to the financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*, in fiscal year 2022. Our opinion is not modified with respect to this matter.

### **Responsibility of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' Responsibility for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, the schedules of changes in net pension and total other postemployment benefits liability and related ratios, and the schedule of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

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

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

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The logo for Belt Harris Pechacek, LLLP features the names 'BELT HARRIS PECHACEK, LLLP' in a stylized, cursive font. The letters are dark red or maroon in color. The 'B', 'H', and 'P' are significantly larger and more ornate than the other letters, which are in a smaller, simpler cursive font.

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
March 2, 2023

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

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**CITY OF ROSENBERG, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2022**

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here including public safety, public works, economic development, and general administrative services. Interest payments on the City's debt are also reported here. Sales tax, property tax, franchise fees, municipal court fines, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water, wastewater, and civic center rentals.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate economic development corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found after the MD&A.

## **FUND FINANCIAL STATEMENTS**

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of City funds are governmental and proprietary.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *on balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 28 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, the American Rescue Plan fund, the Rosenberg Development Corporation (RDC) 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)**  
**For the Year Ended September 30, 2022**

The City adopts an annual appropriated budget for its general fund, debt service fund, and select special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

**Proprietary Funds**

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer services and civic center rentals.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses three internal service funds to account for health insurance, fleet replacement, and information services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

**Notes to Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

**Other Information**

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund and schedules of changes in net pension and total other postemployment benefits liabilities and related ratios and schedule of contributions for the Texas Municipal Retirement System and retiree health care benefit plan. RSI can be found after the notes to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$209,135,891 as of September 30, 2022. This compares with \$185,134,852 from the prior fiscal year. The largest portion of the City's net position, 72%, reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

**CITY OF ROSENBERG, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2022**

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 82,879,774	\$ 70,417,189	\$ 38,768,642	\$ 35,129,020	\$ 121,648,416	\$ 105,546,209
Capital assets, net	116,831,927	116,106,364	76,614,567	74,759,450	193,446,494	190,865,814
<b>Total Assets</b>	<b>199,711,701</b>	<b>186,523,553</b>	<b>115,383,209</b>	<b>109,888,470</b>	<b>315,094,910</b>	<b>296,412,023</b>
Deferred outflows of resources	4,233,899	5,553,444	437,718	511,582	4,671,617	6,065,026
Long-term liabilities	73,724,954	90,375,920	3,089,490	3,833,953	76,814,444	94,209,873
Other liabilities	15,464,013	13,355,968	3,545,195	3,302,317	19,009,208	16,658,285
<b>Total Liabilities</b>	<b>89,188,967</b>	<b>103,731,888</b>	<b>6,634,685</b>	<b>7,136,270</b>	<b>95,823,652</b>	<b>110,868,158</b>
Deferred inflows of resources	11,037,273	2,951,397	3,769,711	3,522,642	14,806,984	6,474,039
<b>Net Position:</b>						
Net investment in capital assets	74,480,486	68,230,471	76,471,567	74,332,548	150,952,053	142,563,019
Restricted	22,977,203	19,353,646	-	-	22,977,203	19,353,646
Unrestricted	6,261,671	(2,190,405)	28,944,964	25,408,592	35,206,635	23,218,187
<b>Total Net Position</b>	<b>\$ 103,719,360</b>	<b>\$ 85,393,712</b>	<b>\$ 105,416,531</b>	<b>\$ 99,741,140</b>	<b>\$ 209,135,891</b>	<b>\$ 185,134,852</b>

A portion of the primary government's net position, \$22,977,203 or 11%, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$35,206,635 or 17%, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$24,001,039 as compared to the prior year. Total assets increased by \$18,682,887 mainly due to an increase in accounts receivable from sales tax, the increase in unspent Coronavirus Relief Fund grant proceeds that are also reported as unearned revenues, operating surplus in the current year, and an increase in capital assets. Total deferred outflows of resources decreased by \$1,393,409 mainly due to changes in deferred outflows in changes in actuarial assumptions for other postemployment benefits (OPEB) liability. Total liabilities decreased by \$15,044,506 which included an increase in other liabilities and a decrease in long-term liabilities. Other liabilities increased mainly due to an increase in unearned revenues. Long-term liabilities decreased primarily due to a reduction in long-term debt outstanding and decreases in the net pension and OPEB. Total deferred inflows of resources increased by \$8,332,945 primarily due to an increase in deferred inflows for the difference between projected and actual investment earnings related to the net pension and OPEB liability.

**CITY OF ROSENBERG, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2022**

**Statement of Activities**

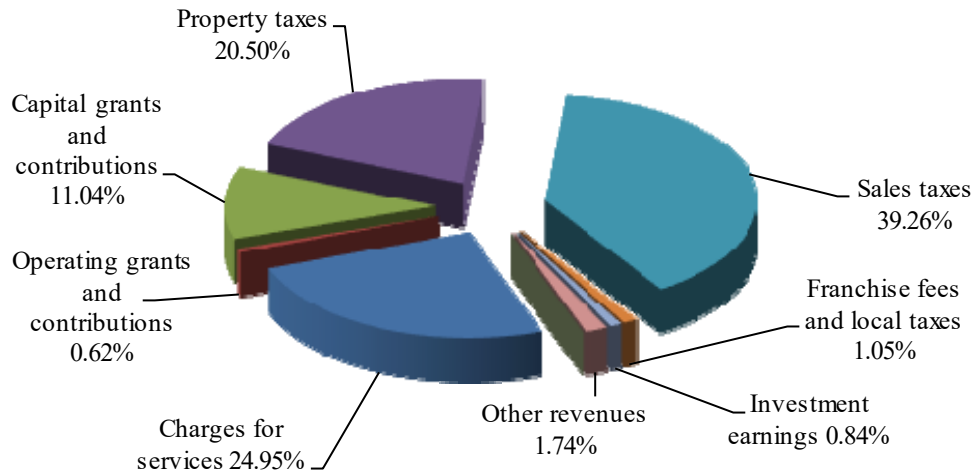
The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 14,276,342	\$ 14,326,249	\$ 23,714,672	\$ 20,347,300	\$ 37,991,014	\$ 34,673,549
Operating grants and contributions	355,086	996,929	94,024	494,882	449,110	1,491,811
Capital grants and contributions	6,316,307	4,698,466	-	-	6,316,307	4,698,466
General revenues:						
Property taxes	11,732,439	11,396,110	-	-	11,732,439	11,396,110
Sales taxes	22,465,983	18,578,297	-	-	22,465,983	18,578,297
Franchise fees and local taxes	598,857	515,834	-	-	598,857	515,834
Investment earnings	482,386	59,245	229,811	38,022	712,197	97,267
Other revenues	993,435	757,590	-	-	993,435	757,590
<b>Total Revenues</b>	<u>57,220,835</u>	<u>51,328,720</u>	<u>24,038,507</u>	<u>20,880,204</u>	<u>81,259,342</u>	<u>72,208,924</u>
<b>Expenses</b>						
General government	5,560,465	7,159,382	-	-	5,560,465	7,159,382
Public safety	19,120,777	18,991,208	-	-	19,120,777	18,991,208
Public works	12,720,410	12,493,484	-	-	12,720,410	12,493,484
Community development	3,537,282	3,697,149	-	-	3,537,282	3,697,149
Interest and fiscal agent fees	1,211,992	1,411,907	-	-	1,211,992	1,411,907
Utilities	-	-	14,718,206	14,056,202	14,718,206	14,056,202
Civic center rentals	-	-	389,171	344,335	389,171	344,335
<b>Total Expenses</b>	<u>42,150,926</u>	<u>43,753,130</u>	<u>15,107,377</u>	<u>14,400,537</u>	<u>57,258,303</u>	<u>58,153,667</u>
<b>Excess of Revenues Over Expenses</b>	15,069,909	7,575,590	8,931,130	6,479,667	24,001,039	14,055,257
Transfers	3,255,739	5,741,702	(3,255,739)	(5,741,702)	-	-
<b>Change in Net Position</b>	18,325,648	13,317,292	5,675,391	737,965	24,001,039	14,055,257
Beginning net position	85,393,712	72,076,420	99,741,140	99,003,175	185,134,852	171,079,595
<b>Ending Net Position</b>	<u>\$ 103,719,360</u>	<u>\$ 85,393,712</u>	<u>\$ 105,416,531</u>	<u>\$ 99,741,140</u>	<u>\$ 209,135,891</u>	<u>\$ 185,134,852</u>

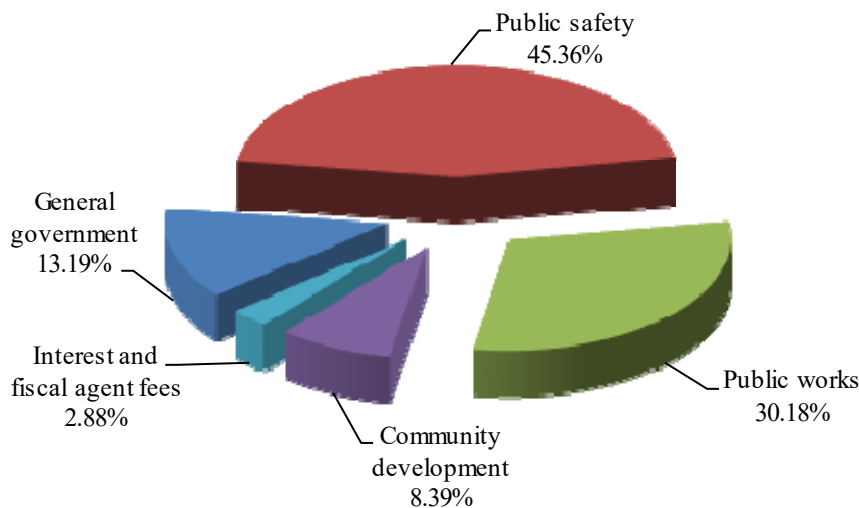
**CITY OF ROSENBERG, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2022**

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

**Governmental Revenues**



**Governmental Expenses**



For the year ended September 30, 2022, revenues from governmental activities totaled \$57,220,835, which is an increase of \$5,892,115 from the prior year. This increase is primarily related to an increase in capital grants and sales taxes.

For the year ended September 30, 2022, expenses from governmental activities totaled \$42,150,926, which is a decrease of \$1,602,204 from the prior year. This decrease is primarily due to a decrease in general government expenses for committed operating projects for repair and maintenance and decrease in grant expenses related to COVID-19.

Operating revenues for business-type activities totaled \$24,038,507 and increased by \$3,158,303 from last year, mainly due to the increase in charges for services because of an increase in capital impact fee revenue from new

**CITY OF ROSENBERG, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2022**

development and an increase in water usage from customer consumption. Operating expenses for business-type activities totaled \$15,107,377 and increased by \$706,840 primarily due to an increase in depreciation expense from more capital assets from prior year capital additions and contractual expenses for water purchases.

**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 \$57,490,713. Of this, \$98,270 is nonspendable, \$25,342,473 is restricted for various purposes, \$11,149,825 is committed for capital projects, and \$300,000 is assigned for contingencies. The remaining balance of \$20,600,145 is unassigned in the general fund.

There was a net increase in the combined fund balance of \$9,896,390 compared to the prior year, which included excess revenues over expenditures of \$6,356,840 and a net transfer in from the enterprise funds of \$3,539,550.

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 \$20,600,145, while total fund balance reached \$20,998,016. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 62% of total general fund expenditures, while total fund balance represents 63% of the same amount. The general fund demonstrated an overall increase of \$1,881,424. General fund revenues increased compared to the prior year primarily due to an increase in sales tax revenue received by \$3,887,686. General fund expenditures increased compared to the prior year by \$954,180 largely due to an increase in expenditures related to payroll. The amounts transferred out of the general fund in the current fiscal year increased from the prior fiscal year by \$862,074 which was primarily due to an increase in funds transferred to the capital projects fund.

The debt service fund has a total fund balance of \$4,882,720, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$194,305 which included property tax revenue of \$4,619,977, debt service payments of \$9,052,410, and transfers in of \$4,017,592 from the water and wastewater fund.

The RDC projects fund has a fund balance of \$5,498,627. The net increase in fund balance for the year was \$1,532,059 which includes intergovernmental revenue from the discretely presented component unit of \$3,297,500 and capital outlay of \$1,789,278.

The America Rescue Plan fund has a fund balance of \$48,537 investment income on advanced grant funds received. The City reported unearned revenue for advance grant funds of \$9,226,884 as of September 30, 2022.

**Proprietary Funds** – The City's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

There had been a planned decrease in final budgeted fund balance in the amount of \$33,714 in the general fund. However, the net change in fund balance was an increase of \$1,881,424, resulting in a positive variance of

**CITY OF ROSENBERG, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2022**

\$1,915,138 from budgeted as amended over actual. This was largely due to lower than anticipated expenditures across all functions, and more than anticipated sales tax revenues.

**CAPITAL ASSETS**

At the end of the current year, the City's governmental and business-type activities had invested \$116,831,927 and \$76,614,567, respectively, in a variety of capital assets and infrastructure (net of accumulated depreciation). The capital assets includes the right-to-use assets net of amortization from leases payable of \$144,240. Total net capital assets increased by \$2,580,680 for governmental activities and business-type activities which included depreciation expense and amortization of right-to-use assets of \$7,529,873.

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

- Construction in progress for drainage improvements for \$1,590,118
- Construction in progress for new sidewalks and park improvements of \$1,089,856
- Construction in progress for sanitary sewer pipes for \$2,008,596
- Construction in progress for waterline extension for \$1,925,686
- Capital additions to infrastructure from the street overlay program of \$1,412,339

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

**LONG-TERM DEBT**

At the end of the current year, the City had total general obligation bonds outstanding of \$14,150,000, certificates of obligation outstanding of \$28,915,000, and leases payable for right-to-use assets of \$144,177 for governmental activities. Business-type activities had revenue bonds outstanding of \$143,000. The current year total combined debt is \$43,352,177 compared to \$51,358,330 in the prior year.

More detailed information about the City's long-term liabilities is presented in note III.E 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 2023 budget in September 2022, with total revenues of \$84,693,936 and total expenditures of \$88,058,621. The City's adopted a tax rate for fiscal year 2023 of \$0.355 per \$100 of taxable valuation, which is \$0.025 cents less than the fiscal year 2022 tax rate of \$0.380 per \$100.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Luis Garza, Finance Director, P.O. Box 32, Rosenberg, Texas 77471-0032.

***BASIC FINANCIAL STATEMENTS***

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# CITY OF ROSENBERG, TEXAS

## STATEMENT OF NET POSITION

September 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 73,348,175	\$ 10,105,671	\$ 83,453,846	\$ 8,225,541
Receivables, net of allowances	6,789,729	2,497,473	9,287,202	1,486,223
Receivable from component unit	1,126,825	-	1,126,825	-
Inventory	34,462	-	34,462	-
Prepays and other assets	1,540,899	398,801	1,939,700	-
Leases receivable	39,684	3,099,263	3,138,947	-
Restricted assets:				
Temporarily restricted cash and cash equivalents	-	22,667,434	22,667,434	-
	82,879,774	38,768,642	121,648,416	9,711,764
Capital assets:				
Nondepreciable capital assets	12,261,370	5,248,357	17,509,727	-
Depreciable capital assets, net	104,426,317	71,366,210	175,792,527	-
Right-to-use assets, net	144,240	-	144,240	-
	116,831,927	76,614,567	193,446,494	-
<b>Total Assets</b>	199,711,701	115,383,209	315,094,910	9,711,764
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	97,590	-	97,590	-
Deferred outflows - pensions	2,593,797	243,769	2,837,566	-
Deferred outflows - OPEB - SDBF	209,751	20,015	229,766	-
Deferred outflows - OPEB - retiree health	1,332,761	173,934	1,506,695	-
<b>Total Deferred Outflows of Resources</b>	4,233,899	437,718	4,671,617	-
<b>Liabilities</b>				
Accounts payable and accrued liabilities	6,127,206	3,545,195	9,672,401	1,674,069
Unearned revenue	9,226,884	-	9,226,884	-
Accrued bond interest	109,923	-	109,923	-
Noncurrent liabilities:				
Portion due within one year	6,566,950	135,805	6,702,755	157,413
Portion due in more than one year	67,158,004	2,953,685	70,111,689	969,412
<b>Total Liabilities</b>	89,188,967	6,634,685	95,823,652	2,800,894
<b>Deferred Inflows of Resources</b>				
Deferred inflows - leases	39,067	3,054,459	3,093,526	-
Deferred inflows - pensions	4,975,847	356,006	5,331,853	-
Deferred inflows - OPEB - SDBF	53,435	5,478	58,913	-
Deferred inflows - OPEB - retiree health	5,968,924	353,768	6,322,692	-
<b>Total Deferred Inflows of Resources</b>	11,037,273	3,769,711	14,806,984	-
<b>Net Position</b>				
Net investment in capital assets	74,480,486	76,471,567	150,952,053	-
Restricted for:				
Debt service	4,882,720	-	4,882,720	-
Public safety	1,681,156	-	1,681,156	-
Parks	1,252,835	-	1,252,835	-
Tourism	757,137	-	757,137	-
Governmental programming	788,261	-	788,261	-
Capital projects	8,116,467	-	8,116,467	-
Community development	5,498,627	-	5,498,627	-
Unrestricted	6,261,671	28,944,964	35,206,635	6,910,870
<b>Total Net Position</b>	\$ 103,719,360	\$ 105,416,531	\$ 209,135,891	\$ 6,910,870

See Notes to Financial Statements.

# CITY OF ROSENBERG, TEXAS

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 5,560,465	\$ 3,336,356	\$ 282,997	\$ -
Public safety	19,120,777	1,881,540	72,089	264,397
Public works	12,720,410	8,984,274	-	6,051,910
Community development	3,537,282	74,172	-	-
Interest on long-term debt	1,211,992	-	-	-
<b>Total Governmental Activities</b>	<b>42,150,926</b>	<b>14,276,342</b>	<b>355,086</b>	<b>6,316,307</b>
<b>Business-Type Activities</b>				
Water and wastewater	14,718,206	23,559,943	93,597	-
Civic center rentals	389,171	154,729	427	-
<b>Total Business-Type Activities</b>	<b>15,107,377</b>	<b>23,714,672</b>	<b>94,024</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 57,258,303</b>	<b>\$ 37,991,014</b>	<b>\$ 449,110</b>	<b>\$ 6,316,307</b>
<b>Component Unit</b>				
Rosenberg Development Corporation	\$ 3,938,707	\$ -	\$ -	\$ -
<b>Total Component Unit</b>	<b>\$ 3,938,707</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**General Revenues:**

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

**Total General Revenues and Transfers**

**Change in Net Position**

Beginning net position

**Ending Net Position**

See Notes to Financial Statements.

**Net (Expense) Revenue and Changes in Net Position**

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>
\$ (1,941,112)	\$ -	\$ (1,941,112)	\$ -
(16,902,751)	-	(16,902,751)	-
2,315,774	-	2,315,774	-
(3,463,110)	-	(3,463,110)	-
(1,211,992)	-	(1,211,992)	-
<u>(21,203,191)</u>	<u>-</u>	<u>(21,203,191)</u>	<u>-</u>
-	8,935,334	8,935,334	-
-	(234,015)	(234,015)	-
-	8,701,319	8,701,319	-
<u>(21,203,191)</u>	<u>8,701,319</u>	<u>(12,501,872)</u>	<u>-</u>
-	-	-	(3,938,707)
-	-	-	(3,938,707)
11,732,439	-	11,732,439	-
22,465,983	-	22,465,983	6,855,927
598,857	-	598,857	-
482,386	229,811	712,197	48,404
993,435	-	993,435	-
3,255,739	(3,255,739)	-	-
<u>39,528,839</u>	<u>(3,025,928)</u>	<u>36,502,911</u>	<u>6,904,331</u>
18,325,648	5,675,391	24,001,039	2,965,624
<u>85,393,712</u>	<u>99,741,140</u>	<u>185,134,852</u>	<u>3,945,246</u>
<u>\$ 103,719,360</u>	<u>\$ 105,416,531</u>	<u>\$ 209,135,891</u>	<u>\$ 6,910,870</u>

# CITY OF ROSENBERG, TEXAS

## BALANCE SHEET

### GOVERNMENTAL FUNDS

September 30, 2022

	<u>General</u>	<u>Debt Service</u>	<u>RDC Projects</u>	<u>America Rescue Plan</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 20,510,386	\$ 4,876,447	\$ 5,683,693	\$ 9,330,105
Receivables, net	5,838,381	123,128	-	-
Due from component unit	-	1,126,825	-	-
Prepaid items	63,409	-	-	-
Inventory	34,462	-	-	-
Leases receivable	39,684	-	-	-
<b>Total Assets</b>	<b>\$ 26,486,322</b>	<b>\$ 6,126,400</b>	<b>\$ 5,683,693</b>	<b>\$ 9,330,105</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 5,102,447	\$ 750	\$ 185,066	\$ 54,684
Due to other governments	109,320	-	-	-
Unearned revenue	-	-	-	9,226,884
<b>Total Liabilities</b>	<b>5,211,767</b>	<b>750</b>	<b>185,066</b>	<b>9,281,568</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	156,229	116,105	-	-
Unavailable revenue - court fines	81,243	-	-	-
Deferred inflows - leases	39,067	-	-	-
Receivable from component unit	-	1,126,825	-	-
<b>Total Deferred Inflows of Resources</b>	<b>276,539</b>	<b>1,242,930</b>	<b>-</b>	<b>-</b>
<b><u>Fund Balances</u></b>				
Nonspendable:				
Inventories	34,462	-	-	-
Prepays	63,409	-	-	-
Restricted for:				
Debt service	-	4,882,720	-	-
Public safety	-	-	-	-
Parks	-	-	-	-
Tourism	-	-	-	-
Governmental programming	-	-	-	48,537
Capital projects	-	-	-	-
Community development	-	-	5,498,627	-
Committed for:				
Capital projects	-	-	-	-
Assigned	300,000	-	-	-
Unassigned	20,600,145	-	-	-
<b>Total Fund Balances</b>	<b>20,998,016</b>	<b>4,882,720</b>	<b>5,498,627</b>	<b>48,537</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 26,486,322</b>	<b>\$ 6,126,400</b>	<b>\$ 5,683,693</b>	<b>\$ 9,330,105</b>

See Notes to Financial Statements.

<b>Nonmajor Governmental</b>	<b>Total Funds</b>
\$ 25,884,882	\$ 66,285,513
828,220	6,789,729
-	1,126,825
399	63,808
-	34,462
-	39,684
<u>\$ 26,713,501</u>	<u>\$ 74,340,021</u>
\$ 650,688	\$ 5,993,635
-	109,320
-	9,226,884
<u>650,688</u>	<u>15,329,839</u>
-	272,334
-	81,243
-	39,067
-	1,126,825
<u>-</u>	<u>1,519,469</u>
-	34,462
399	63,808
-	4,882,720
1,681,156	1,681,156
1,252,835	1,252,835
757,137	757,137
739,724	788,261
10,481,737	10,481,737
-	5,498,627
11,149,825	11,149,825
-	300,000
-	20,600,145
<u>26,062,813</u>	<u>57,490,713</u>
<u>\$ 26,713,501</u>	<u>\$ 74,340,021</u>

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**CITY OF ROSENBERG, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL**  
**FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
**September 30, 2022**

Total fund balances - governmental funds \$ 57,490,713

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

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

Capital assets, nondepreciable	12,261,370
Capital assets, depreciable	172,529,413
Accumulated depreciation	(69,384,966)

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	272,334
Unavailable revenue - court fines	81,243
Receivable from component unit	1,126,825

Internal service funds are used by management to charge the costs of certain capital assets and maintenance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.

9,797,435

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

Accrued interest payable	(109,923)
Deferred charge on refunding	97,590
Deferred outflows - pensions	2,593,797
Deferred inflows - pensions	(4,975,847)
Deferred outflows - OPEB - SDBF	209,751
Deferred inflows - OPEB - SDBF	(53,435)
Deferred outflows - OPEB - retiree health	1,332,761
Deferred inflows - OPEB - retiree health	(5,968,924)
Noncurrent liabilities due in one year	(6,509,485)
Noncurrent liabilities due in more than one year	(67,071,292)

<b>Net Position of Governmental Activities</b>	<b>\$ 103,719,360</b>
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See Notes to Financial Statements.

# CITY OF ROSENBERG, TEXAS

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended September 30, 2022

	<u>General</u>	<u>Debt Service</u>	<u>RDC Projects</u>	<u>America Rescue Plan</u>
<b><u>Revenues</u></b>				
Property taxes	\$ 7,102,489	\$ 4,619,977	\$ -	\$ -
Sales taxes	22,465,983	-	-	-
Franchise fees	2,210,132	-	-	-
Hotel occupancy tax	-	-	-	-
Licenses and permits	1,330,138	-	-	-
Fines and forfeitures	719,479	-	-	-
Charges for services	7,313,402	-	-	-
Intergovernmental	210,200	189,582	3,297,500	283,811
Investment revenue	158,412	30,954	43,709	48,475
Lease revenue	16,887	-	-	-
Other revenue	409,739	-	-	-
<b>Total Revenues</b>	<b>41,936,861</b>	<b>4,840,513</b>	<b>3,341,209</b>	<b>332,286</b>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	5,210,866	-	-	-
Public safety	16,524,956	-	-	-
Public works	8,757,693	-	-	-
Community development	2,866,802	-	19,872	-
<b>Capital outlay</b>	<b>-</b>	<b>-</b>	<b>1,789,278</b>	<b>283,811</b>
<b>Debt service:</b>				
Principal	-	7,665,000	-	-
Interest and fiscal agent fees	-	1,387,410	-	-
<b>Total Expenditures</b>	<b>33,360,317</b>	<b>9,052,410</b>	<b>1,809,150</b>	<b>283,811</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>8,576,544</b>	<b>(4,211,897)</b>	<b>1,532,059</b>	<b>48,475</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	2,012,159	4,017,592	-	-
Transfers (out)	(8,707,279)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(6,695,120)</b>	<b>4,017,592</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>1,881,424</b>	<b>(194,305)</b>	<b>1,532,059</b>	<b>48,475</b>
Beginning fund balances	19,116,592	5,077,025	3,966,568	62
<b>Ending Fund Balances</b>	<b>\$ 20,998,016</b>	<b>\$ 4,882,720</b>	<b>\$ 5,498,627</b>	<b>\$ 48,537</b>

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Funds</u>
\$ -	\$ 11,722,466
-	22,465,983
48,527	2,258,659
598,857	598,857
-	1,330,138
115,772	835,251
876,120	8,189,522
4,336,186	8,317,279
155,687	437,237
-	16,887
583,695	993,434
6,714,844	57,165,713
202,477	5,413,343
1,891,377	18,416,333
-	8,757,693
178,145	3,064,819
4,031,186	6,104,275
-	7,665,000
-	1,387,410
6,303,185	50,808,873
411,659	6,356,840
10,890,435	16,920,186
(4,673,357)	(13,380,636)
6,217,078	3,539,550
6,628,737	9,896,390
19,434,076	47,594,323
\$ 26,062,813	\$ 57,490,713

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**CITY OF ROSENBERG, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2022**

Net changes in fund balances - total governmental funds \$ 9,896,390

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

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

Capital outlay	5,165,530
Depreciation expense	(4,364,106)

The issuance of long-term debt (e.g., bonds, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Net Position.

Principal payments	7,665,000
Amortization of premium	184,019
Amortization of deferred charges	(12,199)
Accrued interest	4,372

Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds.	(142,434)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(310,674)
Net pension liability	4,423,127
Total OPEB liability - SDBF	(85,860)
Total OPEB liability - retiree health	4,718,103
Change in deferred outflows - pensions	130,899
Change in deferred inflows - pensions	(2,693,797)
Change in deferred outflows - OPEB - SDBF	(12,124)
Change in deferred inflows - OPEB - SDBF	16,394
Change in deferred outflows - OPEB - retiree health	(1,426,121)
Change in deferred inflows - OPEB - retiree health	(5,425,216)

Internal service funds are used by management to charge the costs of certain capital assets and maintenance to individual funds. The net revenue (expense) is reported with governmental activities.	594,345
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<b>Change in Net Position of Governmental Activities</b>	<b>\$ 18,325,648</b>
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See Notes to Financial Statements.

# CITY OF ROSENBERG, TEXAS

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

### PROPRIETARY FUNDS

September 30, 2022

	Business-Type Activities			Governmental Activities
	Enterprise Funds			
	Water and Wastewater	Civic Center Rentals	Total	
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 9,761,727	\$ 343,944	\$ 10,105,671	\$ 7,062,662
Accounts receivable (net of allowance for uncollectibles)	2,497,473	-	2,497,473	-
Restricted cash and cash equivalents	22,662,753	4,681	22,667,434	-
Prepaid expense	398,780	21	398,801	1,477,091
Leases receivable owed within one year	157,604	-	157,604	-
<b>Total Current Assets</b>	<b>35,478,337</b>	<b>348,646</b>	<b>35,826,983</b>	<b>8,539,753</b>
<b>Noncurrent assets</b>				
Leases receivable in more than one year	2,941,659	-	2,941,659	-
<b>Capital assets:</b>				
Land	363,209	-	363,209	-
Construction in progress	4,885,148	-	4,885,148	-
Water and sewer system:				
Buildings	2,447,823	-	2,447,823	-
Infrastructure	112,398,466	-	112,398,466	-
Vehicles, machinery, and equipment	4,092,532	34,984	4,127,516	5,225,181
Less accumulated depreciation	(47,607,595)	-	(47,607,595)	(3,943,311)
Right-to-use assets, net	-	-	-	144,240
<b>Total Capital Assets (Net)</b>	<b>76,579,583</b>	<b>34,984</b>	<b>76,614,567</b>	<b>1,426,110</b>
<b>Total Noncurrent Assets</b>	<b>79,521,242</b>	<b>34,984</b>	<b>79,556,226</b>	<b>1,426,110</b>
<b>Total Assets</b>	<b>114,999,579</b>	<b>383,630</b>	<b>115,383,209</b>	<b>9,965,863</b>
<b>Deferred Outflows of Resources</b>				
Deferred outflows - pensions	223,752	20,017	243,769	-
Deferred outflows - OPEB - SDBF	18,302	1,713	20,015	-
Deferred outflows - OPEB - retiree healthcare	159,636	14,298	173,934	-
<b>Total Deferred Outflows of Resources</b>	<b>401,690</b>	<b>36,028</b>	<b>437,718</b>	<b>-</b>

# CITY OF ROSENBERG, TEXAS

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

### PROPRIETARY FUNDS

September 30, 2022

	Business-Type Activities			Governmental Activities
	Enterprise Funds			
	Water and Wastewater	Civic Center Rentals	Total	
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	\$ 1,538,314	\$ 18,496	\$ 1,556,810	\$ 24,251
Customer deposits	1,983,704	4,681	1,988,385	-
Bonds payable - current	21,000	-	21,000	-
Lease payables - current	-	-	-	57,465
Compensated absences	108,297	6,508	114,805	-
<b>Total Current Liabilities</b>	<b>3,651,315</b>	<b>29,685</b>	<b>3,681,000</b>	<b>81,716</b>
<b>Noncurrent liabilities</b>				
Bonds payable - noncurrent	122,000	-	122,000	-
Leases payable - noncurrent	-	-	-	86,712
Net pension liability - TMRS	769,262	80,810	850,072	-
Total OPEB liability - SDBF	75,403	7,096	82,499	-
Total OPEB liability - retiree healthcare	1,720,987	165,371	1,886,358	-
Compensated absences	12,033	723	12,756	-
<b>Total Noncurrent Liabilities</b>	<b>2,699,685</b>	<b>254,000</b>	<b>2,953,685</b>	<b>86,712</b>
<b>Total Liabilities</b>	<b>6,351,000</b>	<b>283,685</b>	<b>6,634,685</b>	<b>168,428</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows - leases	3,054,459	-	3,054,459	-
Deferred inflows - pensions	327,141	28,865	356,006	-
Deferred inflows - OPEB - SBDF	4,988	490	5,478	-
Deferred inflows - OPEB - retiree healthcare	328,231	25,537	353,768	-
<b>Total Deferred Inflows of Resources</b>	<b>3,714,819</b>	<b>54,892</b>	<b>3,769,711</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	76,436,583	34,984	76,471,567	1,339,399
Unrestricted net position	28,898,867	46,097	28,944,964	8,458,036
<b>Total Net Position</b>	<b>\$ 105,335,450</b>	<b>\$ 81,081</b>	<b>\$ 105,416,531</b>	<b>\$ 9,797,435</b>

See Notes to Financial Statements.

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# CITY OF ROSENBERG, TEXAS

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

For the Year Ended September 30, 2022

	Business-Type Activities			Governmental Activities
	Enterprise Funds			
	Water and Wastewater	Civic Center Rentals	Total	
<b><u>Operating Revenues</u></b>				
Water service	\$ 16,611,104	\$ -	\$ 16,611,104	\$ -
Sewer service	6,683,063	-	6,683,063	-
Charges for services	54,534	154,729	209,263	-
Lease revenue	211,242	-	211,242	-
Other revenue	-	-	-	5,561,567
<b>Total Operating Revenues</b>	23,559,943	154,729	23,714,672	5,561,567
<b><u>Operating Expenses</u></b>				
Personnel services	2,375,774	197,605	2,573,379	-
Supplies and materials	307,771	8,520	316,291	-
Contractual services	6,642,329	1,190	6,643,519	-
Repairs and maintenance	2,594,868	181,856	2,776,724	4,640,468
Depreciation	2,794,638	-	2,794,638	371,129
<b>Total Operating Expenses</b>	14,715,380	389,171	15,104,551	5,011,597
<b>Operating Income (Loss)</b>	8,844,563	(234,442)	8,610,121	549,970
<b><u>Nonoperating Revenues (Expenses)</u></b>				
Intergovernmental revenue	93,597	427	94,024	-
Investment revenue	227,330	2,481	229,811	45,149
Interest expense and fiscal charges	(2,826)	-	(2,826)	(774)
<b>Total Nonoperating Revenues</b>	318,101	2,908	321,009	44,375
<b>Income (Loss) Before Transfers and Contributions</b>	9,162,664	(231,534)	8,931,130	594,345
<b><u>Transfers and Contributions</u></b>				
Capital contribution - capital assets	283,811	-	283,811	-
Transfers in	2,008,596	315,000	2,323,596	-
Transfers (out)	(5,863,146)	-	(5,863,146)	-
<b>Total Transfers and Contributions</b>	(3,570,739)	315,000	(3,255,739)	-
<b>Change in Net Position</b>	5,591,925	83,466	5,675,391	594,345
Beginning net position	99,743,525	(2,385)	99,741,140	9,203,090
<b>Ending Net Position</b>	\$ 105,335,450	\$ 81,081	\$ 105,416,531	\$ 9,797,435

See Notes to Financial Statements.

# CITY OF ROSENBERG, TEXAS

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2022

	Business-Type Activities			Governmental Activities
	Enterprise Funds			
	Water and Wastewater	Civic Center Rentals	Total	
<b><u>Cash Flows from Operating Activities</u></b>				
Receipts from customers and users	\$ 23,325,415	\$ 157,007	\$ 23,482,422	\$ 5,561,637
Payments to suppliers	(9,301,986)	(213,991)	(9,515,977)	(6,176,839)
Payments to employees	(2,310,032)	(192,248)	(2,502,280)	-
<b>Cash Provided (Used) By Operating Activities</b>	<b>11,713,397</b>	<b>(249,232)</b>	<b>11,464,165</b>	<b>(615,202)</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Transfers from other funds	2,008,596	315,000	2,323,596	-
Transfers (to) other funds	(5,863,146)	-	(5,863,146)	-
Grant revenue	-	427	427	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(3,854,550)</b>	<b>315,427</b>	<b>(3,539,123)</b>	<b>-</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Acquisition and construction of capital assets	(4,365,944)	-	(4,365,944)	(295,268)
Interest and fiscal charges	(2,826)	-	(2,826)	(774)
Principal paid on capital debt	(283,902)	-	(283,902)	(57,251)
Intergovernmental proceeds	93,597	-	93,597	-
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(4,559,075)</b>	<b>-</b>	<b>(4,559,075)</b>	<b>(353,293)</b>
<b><u>Cash Flows from Investing Activities</u></b>				
Interest on investments	227,330	2,481	2,481	45,149
<b>Net Cash Provided by Investing Activities</b>	<b>227,330</b>	<b>2,481</b>	<b>229,811</b>	<b>45,149</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>3,527,102</b>	<b>68,676</b>	<b>3,595,778</b>	<b>(923,346)</b>
Cash and cash equivalents, beginning of year	28,897,378	279,949	29,177,327	7,986,008
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 32,424,480</b>	<b>\$ 348,625</b>	<b>\$ 32,773,105</b>	<b>\$ 7,062,662</b>
<b>Ending Cash and Cash Equivalents:</b>				
Unrestricted cash and cash equivalents	\$ 9,761,727	\$ 343,944	\$ 10,105,671	\$ 7,062,662
Restricted cash and cash equivalents	22,662,753	4,681	22,667,434	-
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 32,424,480</b>	<b>\$ 348,625</b>	<b>\$ 32,773,105</b>	<b>\$ 7,062,662</b>

See Notes to Financial Statements.

# CITY OF ROSENBERG, TEXAS

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2) For the Year Ended September 30, 2022

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Water and Wastewater	Civic Center Rentals	Total	Internal Service
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ 8,844,563	\$ (234,442)	\$ 8,610,121	\$ 549,970
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
Depreciation	2,794,638	-	2,794,638	371,129
<b>Changes in Operating Assets and Liabilities:</b>				
<b>(Increase) Decrease in Assets:</b>				
Accounts receivable	(189,724)	2,278	(187,446)	-
Prepays	(22,302)	(19)	(22,321)	70
Change in lease receivable	156,923	-	156,923	-
Deferred outflows - pensions	(6,880)	(516)	(7,396)	-
Deferred outflows - OPEB - SDBF	637	48	685	-
Deferred outflows - OPEB - retiree health	74,957	5,618	80,575	-
<b>Increase (Decrease) in Liabilities:</b>				
Accounts payable and accrued liabilities	78,941	(24,732)	54,209	(1,536,371)
Accrued interest payable	(2,252)	-	(2,252)	-
Compensated absences	47,104	3,960	51,064	-
Customer deposits	188,595	2,326	190,921	-
Deferred inflows - leases	(201,727)	-	(201,727)	-
Net pension liability - TMRS	(232,479)	(17,426)	(249,905)	-
Total OPEB liability - TMRS	4,513	338	4,851	-
Total OPEB liability - retiree health	(247,983)	(18,588)	(266,571)	-
Deferred inflows - pensions	141,586	10,613	152,199	-
Deferred inflows - OPEB - SDBF	(862)	(64)	(926)	-
Deferred inflows - OPEB - retiree health	285,149	21,374	306,523	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 11,713,397</b>	<b>\$ (249,232)</b>	<b>\$ 11,464,165</b>	<b>\$ (615,202)</b>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ 283,811	\$ -	\$ 283,811	\$ -

See Notes to Financial Statements.

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**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Rosenberg, Texas (the “City”), was incorporated in 1902 and adopted a Home-Rule Charter on November 20, 1956. The Charter was amended April 6, 1985 to provide for a “Council-Manager” form of government.

The Council is comprised of a Mayor and six Council members, including two at-large Council members and four Council members elected by districts, who serve two-year terms. The Mayor is the presiding officer of the City Council and is recognized as the head of City government for all ceremonial purposes but has no regular administrative duties. The Mayor is entitled to vote on all matters under consideration by the City Council but does not have the power of veto.

The City provides a full range of municipal services to its citizens. These services which are provided under general government and enterprise functions include public safety (police and fire protection), water and wastewater utilities, solid waste and recycling services, parks and recreational activities, public improvements, repair and maintenance of infrastructure, community and economic development, planning, and general administrative services. The City also offers a Civic Center. Internal services of the City, accounted for on a cost reimbursement basis, are fleet service operations, information services, and employee health insurance coverage.

The City is an independent political subdivision of the State of Texas (the “State”) governed by an elected Council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of component units, which are other entities or organizations that are financially accountable to the City. Discretely presented component units are reported in a separate column in the government-wide statements to emphasize that they are legally separate from the primary government. Based on these considerations, the City’s financial statements include an economic development corporation. No other entities have been included in the City’s reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The component unit discussed below is included in the City’s reporting entity because of the significance of its operational or financial relationship with the City.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

**Discretely Presented Component Unit**

The Rosenberg Development Corporation (RDC) has been included in the reporting entity as a discretely presented component unit. In September 1995, the RDC was created by the City under the Texas Development Corporation Act of 1979 for the purpose of promoting, assisting, and enhancing economic and development activities on behalf of the City. The RDC administers the \$0.005 sales tax levied by the City for economic development. The Board of Directors is appointed by and serves at the discretion of the City Council and consists of three City Council members and four residents of the City. City Council approval is required for annual budgets and bonded debt issuance. In the event of dissolution, net position of the RDC shall be conveyed to the City. The operations of the RDC are presented as a governmental fund type. Complete financial statements for the RDC can be obtained at the RDC's office located at 3829 Highway 36 S, Rosenberg, Texas, 77471.

**Related Organization**

The Rosenberg Public Housing Authority (the "Authority") is a legally separate organization formed to administer housing programs funded by the U.S. Department of Housing and Urban Development, which has a scope of public service within the geographic boundaries of the City. The City appoints a majority of the Authority's Board members, however, the City's accountability does not extend beyond making the appointments, as the administration of the Authority is vested solely with its Board, and there is no financial relationship between the Authority and the primary government.

**B. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government and its component unit. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

**C. Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

**D. Basis of Presentation – Fund Financial Statements**

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

The City reports the following governmental funds:

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

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

The RDC projects fund is used to account for the various projects that have been funded by transfers of restricted sales tax revenue from the RDC. It is under the direction of the Economic Development Director who serves as the Executive Director of the RDC with oversight by the City Manager and the Finance Department. The RDC projects fund is considered a major fund for reporting purposes.

The special revenue funds are used to account for and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The capital projects funds are used to account for and report revenues sources that restricted for various capital improvements. The special revenue funds and capital projects are considered nonmajor funds for reporting purposes with the exception of the American Rescue Plan fund used to account for coronavirus grant funding that considered a major fund for reporting purposes.

The City reports the following proprietary fund types:

The enterprise funds are used to account for the operations that provide (i) water and wastewater collection and the construction of related facilities and (ii) the rental activities of the Civic Center. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The acquisition, maintenance, and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds (revenue or general obligation), and other City funds.

The internal service 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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

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 internal balances in the business-type activities column.

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Cash and Cash Equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

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

**2. Investments**

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and is reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers’ acceptances
- Statewide investment pools

**3. Inventories and Prepaid Items**

The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased (i.e., the consumption method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**4. Restricted Assets**

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

**5. Capital Assets**

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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

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, as well as the component unit, are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	20 to 40 years
Vehicles	3 to 7 years
Machinery and equipment	3 to 10 years
Water and sewer system	3 to 40 years
Infrastructure	30 years

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net 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 financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Leases receivable and payable are amortized over the terms of the leases.

At the fund level, the City has two types of items, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the items, *unavailable revenue*, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and court fines. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available. Other type of deferred inflows

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

are for the long-term receivable from the RDC for its portion of debt and deferred inflows that are related to leases receivable.

**7. Compensated Employee Absences**

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

**8. Leases**

The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible, right-to-use lease assets (the "lease asset") in the government-wide financial statements. The City recognizes lease liabilities and lease assets 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.

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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

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.

## **9. Long-Term Obligations**

In government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the property tax along with the interest earned in the debt service fund.

Assets acquired under the terms of a lease are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. The City has leases payable and right-to-use assets recorded in the internal service funds which are proprietary funds that 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 Net Position for the proprietary funds.

## **10. 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.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

**11. 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.

**12. 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.

**13. 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.

**14. 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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

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.

**15. Other Postemployment Benefits**

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

The City also provides medical benefits to eligible retirees through a single-employer defined benefit plan (the "Plan"). This Plan is an unfunded, pay-as-you-go plan. Information about the City's OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by the City's consulting actuary.

**G. Revenues and Expenditures/Expenses**

**1. Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**2. Property Taxes**

Property taxes are levied during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

**3. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales, services, and leases. The enterprise funds also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2022

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except the capital projects funds, which adopt project length budgets. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the charter in the approved budget is the department level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended September 30, 2022. The RDC projects fund, hotel/motel occupancy tax fund, municipal court technology fund, beautification fund, law enforcement fund, Community Development Block Grant fund, police asset forfeiture fund, park land dedication fund, juvenile case manager fund, municipal court child safety fund, municipal court building security fund, municipal utility district fire fund, police federal forfeiture fund, fire station No. 3 fund, and cable public-educational-governmental (PEG) fees fund are all special revenue funds that have adopted budgets.

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of September 30, 2022, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Primary government		
Certificates of deposit	\$ 247,065	0.52
LOGIC	27,883,581	0.05
TexPool	47,953,307	0.25
Lone Star	7,681,655	0.24
CLASS	15,765,728	0.22
<b>Total Investments</b>	<u>\$ 99,531,336</u>	
Portfolio weighted average maturity		0.19
Component unit		
TexPool	<u>\$ 7,828,893</u>	0.25

*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 “A” or “AAAm,” or an equivalent rating by at least one nationally recognized rating service. Investments in SEC-registered and regulated money market mutual funds must have an investment quality not less than “AAA-,” or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2022, 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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

on deposit at the depository bank to be collateralized by securities. As of September 30, 2022, 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.

**LOGIC**

The Local Government Investment Cooperative (LOGIC) was created in 1994 by Texas local government officials who understand the specific needs and challenges of investing public funds. LOGIC is administered by Hilltop Securities and JPMorgan Chase. Together, these organizations bring to the LOGIC program the powerful partnership of two leaders in financial services with a proven track record in local government investment pool management and extensive industry resources. LOGIC was rated “AAA” by Standard and Poor’s.

**Lone Star**

In 1991, First Public launched the Lone Star Investment Pool with a simple goal: to make the job of managing public funds safer and easier. Since then, Lone Star has focused on providing innovative services. Lone Star was among the first investment pools of its kind to offer clients the convenience of online transactions and to tailor fund options to meet a range of investment goals. It limits investments only to those allowed by the Public Funds Investment Act (the “Act”). Certain funds within the Lone Star feature other investment restrictions to further help protect principal. Lone Star

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

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](http://www.texasclass.com).

**B. Receivables**

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

	<b>Governmental Funds</b>			<b>Proprietary Fund</b>	<b>Component Unit</b>
	<b>General</b>	<b>Debt Service</b>	<b>Nonmajor</b>	<b>Water and Wastewater</b>	
Property taxes	\$ 164,759	\$ 122,806	\$ -	\$ -	\$ -
Sales taxes	4,487,655	-	-	-	1,486,223
Hotel taxes	-	-	46,276	-	-
Franchise fees	25,643	-	12,178	-	-
Other taxes	-	-	-	-	-
Intergovernmental	202,975	-	769,766	-	-
Accounts receivable	820,812	-	-	2,492,707	-
Other receivables	1,390,092	919	-	36,368	-
Less allowance	(1,253,555)	(597)	-	(31,602)	-
	<u>\$ 5,838,381</u>	<u>\$ 123,128</u>	<u>\$ 828,220</u>	<u>\$ 2,497,473</u>	<u>\$ 1,486,223</u>

**C. Leases Receivable**

The City entered into 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 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 the options range from 4 to 20 years. Annual receipts for the Agreements vary each year. Initial leases receivable and deferred inflows from leases are recorded at the beginning of the fiscal year 2022 within the general

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

fund for \$55,810 and the water and wastewater fund for \$3,265,184. The leases receivable and deferred inflows from leases are measured using an incremental borrowing rate, which is also considered the interest rate on the leases receivable, of 0.4750%. As of September 30, 2022, the City's total lease revenue from the Agreements' was \$228,129 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:

<b>Fiscal Year Ending Sept. 30</b>	<b>General Fund</b>			<b>Amortization of Deferred Inflows</b>
	<b>Lease Receipts</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2023	\$ 16,653	\$ 105	\$ 16,758	\$ 16,743
2024	17,211	50	17,261	16,743
2025	5,820	4	5,824	5,581
<b>Total</b>	<b>\$ 39,684</b>	<b>\$ 159</b>	<b>\$ 39,843</b>	<b>\$ 39,067</b>

<b>Fiscal Year Ending Sept. 30</b>	<b>Water and Wastewater Fund</b>			<b>Amortization of Deferred Inflows</b>
	<b>Lease Receipts</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2023	\$ 157,604	\$ 14,904	\$ 172,508	\$ 210,725
2024	164,691	14,113	178,804	210,725
2025	172,047	13,286	185,333	210,726
2026	147,117	12,422	159,539	190,041
2027	121,019	11,675	132,694	167,778
2028-2032	687,013	49,242	736,255	783,995
2033-2037	842,902	31,497	874,399	783,995
2038-2041	806,870	9,772	816,642	496,474
<b>Total</b>	<b>\$ 3,099,263</b>	<b>\$ 156,911</b>	<b>\$ 3,256,174</b>	<b>\$ 3,054,459</b>

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2022

**D. Capital Assets**

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

	Primary Government			Ending Balance
	Beginning Balance	Increases	(Decreases)/ Reclassifications	
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 6,126,946	\$ -	\$ -	\$ 6,126,946
Construction in progress	6,890,031	4,716,101	(5,471,708)	6,134,424
<b>Total capital assets not         being depreciated</b>	<u>13,016,977</u>	<u>4,716,101</u>	<u>(5,471,708)</u>	<u>12,261,370</u>
Other capital assets:				
Infrastructure	139,810,647	5,550,541	-	145,361,188
Buildings and improvements	14,600,066	25,000	-	14,625,066
Vehicles, machinery, and equipment	17,301,661	640,864	(174,185)	17,768,340
Right-to-use assets	201,428	-	-	201,428
<b>Total other capital assets</b>	<u>171,913,802</u>	<u>6,216,405</u>	<u>(174,185)</u>	<u>177,956,022</u>
Less accumulated depreciation for:				
Infrastructure	(47,858,470)	(3,510,139)	-	(51,368,609)
Buildings and improvements	(7,949,534)	(351,379)	-	(8,300,913)
Vehicles, machinery, and equipment	(13,016,411)	(816,529)	174,185	(13,658,755)
Right-to-use assets	-	(57,188)	-	(57,188)
<b>Total accumulated depreciation</b>	<u>(68,824,415)</u>	<u>(4,735,235)</u>	<u>174,185</u>	<u>(73,385,465)</u>
Other capital assets, net	103,089,387	1,481,170	-	104,570,557
<b>Governmental Activities         Capital Assets, Net</b>	<u>\$ 116,106,364</u>	<u>\$ 6,197,271</u>	<u>\$ (5,471,708)</u>	<u>116,831,927</u>
			Plus deferred loss on refunding	97,590
			Plus unspent bond proceeds	2,365,270
			Less associated debt	(44,814,301)
			<b>Net Investment in Capital Assets</b>	<u>\$ 74,480,486</u>

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

General government	\$ 201,754
Public safety	689,450
Public works	3,526,320
Community development	317,711
<b>Total Governmental Activities Depreciation         and Amortization Expense</b>	<u>\$ 4,735,235</u>

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2022

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>(Decreases)/ Reclassifications</b>	<b>Ending Balance</b>
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 363,209	\$ -	\$ -	\$ 363,209
Construction in progress	1,229,913	4,349,117	(693,882)	4,885,148
<b>Total capital assets not being depreciated</b>	<b>1,593,122</b>	<b>4,349,117</b>	<b>(693,882)</b>	<b>5,248,357</b>
Other capital assets:				
Water and sewer system	114,152,407	693,882	-	114,846,289
Vehicles, machinery, and equipment	3,826,878	300,638	-	4,127,516
<b>Total other capital assets</b>	<b>117,979,285</b>	<b>994,520</b>	<b>-</b>	<b>118,973,805</b>
Less accumulated depreciation for:				
Water and sewer system	(42,433,490)	(2,560,273)	-	(44,993,763)
Vehicles, machinery, and equipment	(2,379,467)	(234,365)	-	(2,613,832)
<b>Total accumulated depreciation</b>	<b>(44,812,957)</b>	<b>(2,794,638)</b>	<b>-</b>	<b>(47,607,595)</b>
Other capital assets, net	73,166,328	(1,800,118)	-	71,366,210
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 74,759,450</b>	<b>\$ 2,548,999</b>	<b>\$ (693,882)</b>	<b>76,614,567</b>
			Less associated debt	(143,000)
			<b>Net Investment in Capital Assets</b>	<b>\$ 76,471,567</b>

Depreciation was charged to business-type functions as follows:

Water and wastewater \$ 2,794,638

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

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

<u>Project Description</u>	<u>Total in Progress</u>	<u>Remaining Commitment</u>
<b>Governmental activities:</b>		
American Rescue Plan Act (ARPA) Infrastructure	\$ 283,811	\$ 9,208,125
Bamore Road Extension Project	1,876,622	773,378
Benton Road County Mobility	694,327	5,450,673
Business Park Development	262,900	1,578,461
Development Grant Drainage Infrastructure Improvements	1,590,118	45,920,382
Cummings/Baker Road Extension	-	500,000
Fairground Road Expansion and Utility Replacement	-	100,000
Fire Station Number 1 Renovations	-	2,000,000
Koeblen Road Project (Farm to Market 2218 "FM2218" to City Limits)	200,000	5,542,795
Koeblen Road Project (State Highway 36 at Band to FM2218)	-	7,600,000
Railroad Quiet Zones	273,363	893,251
Road Improvements - Street Overlay Program	2,325,976	2,014,024
Seabourne Creek Nature Center	287,550	35,000
Sidewalk Improvements	322,127	677,873
Traffic Light Signal at Reading and Town Center Boulevard	-	115,375
<b>Total Governmental Activities:</b>	<u>\$ 8,116,794</u>	<u>\$ 82,409,337</u>
<b>Business-type activities:</b>		
Development Grant North Side Water Improvement-Phase VIII	\$ -	\$ 666,675
Development Grant Blume Road Sanitary Sewer - Phase I	-	660,771
FM2218 Waterline Extension	2,077,475	298,025
Interstate 69 Waterline Extension	89,347	1,195,622
Sanitary Sewer Pipe Bursting Phase IV	2,208,696	348,206
Supervisory Control and Data Acquisition Project	378,653	101,347
<b>Total Business-Type Activities:</b>	<u>\$ 4,754,171</u>	<u>\$ 3,270,646</u>

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2022

**E. Long-Term Debt**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Direct borrowings/placements:					
General obligation bonds	\$ 15,970,000	\$ -	\$ (1,820,000)	\$ 14,150,000	\$ 1,885,000
Certificates of obligation	34,760,000	-	(5,845,000)	28,915,000	3,490,000
Deferred amounts:					
Bond issuance premiums	1,789,143	-	(184,019)	1,605,124	-
	<u>52,519,143</u>	<u>-</u>	<u>(7,849,019)</u>	<u>44,670,124</u> *	<u>5,375,000</u>
Other liabilities:					
Leases payable	201,428	-	(57,251)	144,177 *	57,465
Net pension liability - TMRS	12,349,220	-	(4,423,127)	7,926,093	-
Total OPEB liability - SDBF	850,213	85,860	-	936,073	-
Total OPEB liability - retiree health	23,506,051	-	(4,718,103)	18,787,948	-
Compensated absences	949,865	1,165,553	(854,879)	1,260,539	1,134,485
<b>Total Governmental Activities</b>	<u>\$ 90,375,920</u>	<u>\$ 1,251,413</u>	<u>\$ (17,902,379)</u>	<u>\$ 73,724,954</u>	<u>\$ 6,566,950</u>

**Long-term debt due in more than one year**     \$ 67,158,004

**\*Debt associated with governmental activities capital assets**     \$ 44,814,301

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Business-Type Activities:</b>					
Direct borrowings/placements:					
Revenue bonds	\$ 164,000	\$ -	\$ (21,000)	\$ 143,000	\$ 21,000
Other payables:					
Capital finance agreement	262,902	-	(262,902)	-	-
	<u>426,902</u>	<u>-</u>	<u>(283,902)</u>	<u>143,000</u> *	<u>21,000</u>
Other liabilities:					
Net pension liability	1,099,977	-	(249,905)	850,072	-
Total OPEB liability - SDBF	77,648	4,851	-	82,499	-
Total OPEB liability - retiree health	2,152,929	-	(266,571)	1,886,358	-
Compensated absences	76,497	119,911	(68,847)	127,561	114,805
<b>Total Business-Type Activities</b>	<u>\$ 3,833,953</u>	<u>\$ 124,762</u>	<u>\$ (869,225)</u>	<u>\$ 3,089,490</u>	<u>\$ 135,805</u>

**Long-term debt due in more than one year**     \$ 2,953,685

**\*Debt associated with business-type activities capital assets**     \$ 143,000

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2022

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Discretely Presented</b>					
<b>Component Unit:</b>					
Notes payable	\$ 1,279,232	\$ -	\$ (152,407)	\$ 1,126,825	\$ 157,413
<b>Total Discretely Presented</b>					
<b>Component Unit:</b>	<u>\$ 1,279,232</u>	<u>\$ -</u>	<u>\$ (152,407)</u>	<u>\$ 1,126,825</u>	<u>\$ 157,413</u>
			<b>Long-term debt due in more than one year</b>	<u>\$ 969,412</u>	

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 liability 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 capital lease outstanding as of September 30, 2022:

<u>Description</u>	<u>Original Issue</u>	<u>Matures</u>	<u>Interest Rates</u>	<u>Balance</u>
<b><u>Governmental Activities</u></b>				
<b>General Obligation Bonds</b>				
General Obligation, Series 2014	\$ 1,565,000	2034	3.00-4.00%	\$ 925,000
Refunding Bonds, Series 2017	\$ 7,390,000	2028	2.00-4.00%	4,155,000
Refunding Bonds, Series 2017A	\$ 4,945,000	2029	3.00%	3,185,000
Refunding Bonds, Series 2020	\$ 7,785,000	2030	3.00%	5,885,000
			<b>Total General Obligation Bonds</b>	<u>14,150,000</u>
<b>Certificates of Obligation</b>				
Certificates of Obligation, Series 2013	\$ 9,000,000	2033	2.00-2.75%	1,815,000
Certificates of Obligation, Series 2014	\$ 5,000,000	2034	2.00-3.50%	3,405,000
Certificates of Obligation, Series 2014A	\$ 3,000,000	2034	3.00-4.00%	2,020,000
Combined Tax and Revenue , Series 2015	\$ 9,760,000	2035	2.30-3.00%	6,885,000
Combined Tax and Revenue , Series 2016	\$ 9,825,000	2036	2.00-2.05%	7,270,000
Certificates of Obligation, Series 2017	\$ 9,320,000	2037	3.00%	7,520,000
			<b>Total Certificates of Obligation</b>	<u>28,915,000</u>
<b>Leases payable</b>				
Right-to-use assets - copiers	\$ 201,428	2025	0.48%	144,177
			<b>Total Governmental Activities Long-Term Debt</b>	<u>\$ 43,209,177</u>
<b><u>Business-Type Activities</u></b>				
<b>Revenue Bonds</b>				
Combined Tax and Revenue , Series 2010	\$ 394,000	2029	N/A	\$ 143,000
			<b>Total Business-Type Activities Long-Term Debt</b>	<u>\$ 143,000</u>

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2022

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

<b>Fiscal Year Ending Sept. 30</b>	<b>Governmental Activities</b>			
	<b>General Obligation Bonds</b>		<b>Certificates of Obligation</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2023	\$ 1,885,000	\$ 451,350	\$ 3,490,000	\$ 809,053
2024	1,950,000	383,650	1,720,000	674,852
2025	2,040,000	313,275	1,760,000	630,201
2026	2,130,000	235,825	1,810,000	584,114
2027	2,225,000	158,900	1,865,000	536,289
2028-2032	3,770,000	178,801	10,175,000	1,872,904
2033-2037	150,000	6,000	8,095,000	438,800
<b>Total</b>	<b>\$ 14,150,000</b>	<b>\$ 1,727,801</b>	<b>\$ 28,915,000</b>	<b>\$ 5,546,213</b>

<b>Fiscal Year Ending Sept. 30</b>	<b>Business-Type Activities</b>	
	<b>Revenue Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
2023	\$ 21,000	\$ -
2024	21,000	-
2025	21,000	-
2026	21,000	-
2027	21,000	-
2028-2029	38,000	-
<b>Total</b>	<b>\$ 143,000</b>	<b>\$ -</b>

**Notes Payable**

Portions of the 2017A and 2020 general obligation refunding bonds are being paid from the RDC in the amounts of \$987,350, and \$139,475, 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 and 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:

<b>Fiscal Year Ending Sept. 30</b>	<b>Component Unit</b>	
	<b>Principal</b>	<b>Interest</b>
	2023	\$ 157,413
2024	164,205	28,022
2025	172,785	23,141
2026	179,814	18,136
2027	186,843	12,748
2028-2030	265,765	13,822
<b>Total</b>	<b>\$ 1,126,825</b>	<b>\$ 128,554</b>

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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

**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 \$315,099,069. The net indebtedness subject to the debt limit is \$38,329,280 resulting in a legal debt margin of \$276,769,789.

**Leases Payable**

The City has entered into lease agreements as lessee for the acquisition and use of copiers which is paid by the City's governmental activities within the City's internal service fund. An initial lease liability and right-to-use assets were recorded in the amount of \$201,428 at the beginning the fiscal year. As of September 30, 2022, the value of the lease liability was \$144,177. The City is required to make monthly principal and interest payments of \$4,835 for a term of 42 months. The lease interest rate is based on an incremental borrowing rate of 0.475%. In addition, the City's right-to-use lease assets will be amortized using a straight-line basis over the remaining term of the leases. The value of the right-to-use lease assets as of the end of the current fiscal year was \$201,428 and had accumulated amortization of \$57,188. The future principal and interest lease payments as of September 30, 2022 were as follows:

Fiscal Year	<u>Internal Service Fund Equipment</u>		
Ending Sept. 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 57,465	\$ 560	\$ 58,025
2024	57,739	286	58,025
2025	28,973	40	29,013
<b>Total</b>	<u>\$ 144,177</u>	<u>\$ 886</u>	<u>\$ 145,063</u>

**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 FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

**F. Interfund Transactions**

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amounts</u>
General	Nonmajor governmental	\$ 166,605
General	Water and wastewater	1,845,554
Debt service	Water and wastewater	4,017,592
Water and wastewater	Nonmajor governmental	2,008,596
Civic center	Nonmajor governmental	315,000
Nonmajor governmental	General	8,707,279
Nonmajor governmental	Nonmajor governmental	2,183,156
	<b>Total</b>	<b>\$ 19,243,782</b>

Transfers to the general fund from the water and wastewater fund were subsidies for administrative expenditures. There are also transfers out of the nonmajor governmental funds to reimburse funds for expenditures that benefit the nonmajor governmental fund activity. Other transfers between funds are utilized to move unrestricted fund revenues to finance various programs that must be accounted for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for grant programs and governmental expenditures.

**G. Fund Balance**

As of September 30, 2022, \$1,448,830 of the City's total fund balance is restricted by enabling legislation.

Hotel/Motel	\$ 757,262
Municipal Court Building Security	36,523
Municipal Court Child Safety	216,479
Juvenile Case Manager	131,058
PEG fees	301,970
Municipal Court Technology	5,538
<b>Total Restricted by Enabling Legislation</b>	<b>\$ 1,448,830</b>

**H. Restricted Assets**

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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2022

**I. Restatement**

The City has restated assets, liabilities, and deferred inflows of resources for governmental and business-type activities for the implementation of GASB 87, for *Leases*, in the general fund, internal service fund, and water and wastewater fund. This restatement had no effect on beginning fund balance/net position.

	<u>General Fund</u>	<u>Internal Service Fund</u>	<u>Governmental Activities</u>
Beginning fund balance/net position as reported	\$ 19,116,592	\$ 9,203,090	\$ 85,393,712
Leases receivable	55,810	-	55,810
Deferred inflows of resources - leases	(55,810)	-	(55,810)
Leases payable	-	201,428	201,428
Right-to-use assets	-	(201,428)	(201,428)
<b>Beginning fund balance/net position as restated</b>	<u>\$ 19,116,592</u>	<u>\$ 9,203,090</u>	<u>\$ 85,393,712</u>

	<u>Water and Wastewater Fund</u>	<u>Business-type Activities</u>
Beginning fund balance/net position as reported	\$ 99,743,525	\$ 99,741,140
Leases receivable	3,265,186	3,265,186
Deferred inflows of resources - leases	(3,265,186)	(3,265,186)
<b>Beginning fund balance/net position as restated</b>	<u>\$ 99,743,525</u>	<u>\$ 99,741,140</u>

**IV. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League’s (TML) Intergovernmental Risk Pools (the “Pool”). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

The City also provides workers’ compensation insurance through the TML Workers’ Compensation Fund (the “Fund”). Workers’ compensation premiums are subject to change when audited by the Fund. At September 30, 2022, the City believed the amounts paid on workers’ compensation would not change significantly from the amounts recorded.

**B. Contingent Liabilities**

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

**C. Pension Plans**

**1. Texas Municipal Retirement System**

Plan Description

The City participates as one of 901 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 municipal 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 does not receive any funding from the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at [tmrs.com](http://tmrs.com).

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

Benefits Provided

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

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 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>2022</u>	<u>2021</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	50% of CPI	50% of CPI

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

Employees Covered by Benefit Terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	191
Inactive employees entitled to, but not yet, receiving benefits	195
Active employees	<u>272</u>
<b>Total</b>	<b><u>658</u></b>

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member’s total compensation, and the City-matching ratios are either 1:1 (1 to 1), 1.5:1 (1½ to 1), or 2:1 (2 to 1), both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The City’s contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.87% and 16.29% in calendar years 2022 and 2021, respectively. The City’s contributions to TMRS for the fiscal year ended September 30, 2022 were \$3,077,300 which were equal to the required contributions.

Net Pension Liability

The City’s Net Pension Liability (NPL) was measured as of December 31, 2021 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-Distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active members, healthy retirees, and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

retirement mortality assumption for the annuity purchase rates is based on the mortality experience investigation study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equities	35%	7.55%
Core Fixed Income	6%	2.00%
Non-Core Fixed Income	20%	5.68%
Other Public and Private Markets	12%	7.22%
Real Estate	12%	6.85%
Hedge Funds	5%	5.35%
Private Equity	10%	10.00%
<b>Total</b>	100%	

Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, TMRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2022

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 3,021,004	\$ -	\$ 3,021,004
Interest	5,998,105	-	5,998,105
Change of benefit terms	-	-	-
Difference between expected and actual experience	308,872	-	308,872
Changes of assumptions	-	-	-
Contributions - employer	-	2,929,292	(2,929,292)
Contributions - employee	-	1,258,752	(1,258,752)
Net investment income	-	9,858,238	(9,858,238)
Benefit payments, including refunds of employee contributions	(3,330,847)	(3,330,847)	-
Administrative expense	-	(45,581)	45,581
Other changes	-	312	(312)
<b>Net Changes</b>	<b>5,997,134</b>	<b>10,670,166</b>	<b>(4,673,032)</b>
Balance at December 31, 2020	89,015,732	75,566,535	13,449,197
<b>Balance at December 31, 2021</b>	<b>\$ 95,012,866</b>	<b>\$ 86,236,701</b>	<b>\$ 8,776,165</b>

Sensitivity of the NPL to Changes in the Discount Rate

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

	<b>1% Decrease in Discount Rate (5.75%)</b>	<b>Discount Rate (6.75%)</b>	<b>1% Increase in Discount Rate (7.75%)</b>
City's Net Pension Liability	<u>\$ 24,610,966</u>	<u>\$ 8,776,165</u>	<u>\$ (3,875,090)</u>

Pension Plan Fiduciary Net Position

Detailed information about TMRS's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained [tmrs.com](http://tmrs.com).

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

For the fiscal year ended September 30, 2022, the City recognized net pension expense of \$1,111,969.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 457,032	\$ 303,730
Changes in actuarial assumptions	134,585	-
Difference between projected and actual investment earnings	-	5,028,123
Contributions subsequent to the measurement date	2,245,949	-
<b>Total</b>	<b>\$ 2,837,566</b>	<b>\$ 5,331,853</b>

\$2,245,949 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year Ended September 30</b>	<b>Pension Expense</b>
2023	\$ (789,941)
2024	(1,998,153)
2025	(1,037,381)
2026	(914,761)
<b>Total</b>	<b>\$ (4,740,236)</b>

**2. Texas Statewide Emergency Services Personnel Retirement Fund**

Plan Description

The City participates in a cost-sharing multiple employer pension plan that has a special funding situation. The plan is administered by the Texas Emergency Services Retirement System (TESRS) and established and administered by the State to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. At August 31, 2021, there were 235 contributing fire and/or emergency services department members participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a member department. Detailed information about the TESRS's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and Required Supplementary Information. TESRS issues a publicly available Annual Financial Report, which includes financial statements, notes, and Required Supplementary Information, which can be obtained at [www.tesrs.org](http://www.tesrs.org). The separately issued actuarial valuations that may be of interest are also available at the same link.

Funding Policy

The contribution requirements of TESRS members and the City are established and may be amended by the State. No contributions are required by volunteer emergency services personnel. The City is required to contribute at least \$36 per month for each active member and can elect to increase the monthly amount. Additional contributions may be required by the City to pay for unfunded prior service costs from a prior plan or to establish credit in TESRS for service prior to entry in TESRS. The City's contributions to TESRS for the years ended September 30, 2022, 2021, and 2020 were

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

\$45,367, \$43,833, and \$48,947, respectively, and were equal to the required contributions for each year.

Based on the net position effect of \$1,071 (net pension liability of \$1,071 as of the measurement date of August 31, 2022), management has determined the effect of these amounts are not material to the financial statements and the amounts have not been recorded in the government-wide financial statements.

**D. Postemployment Benefits**

The City provides for two other postemployment benefits (OPEB) plans; one provides for postemployment healthcare insurance benefits through a single employer defined benefit medical plan (Retirees 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:

	<b>Retiree Healthcare Plan</b>	<b>TMRS SDBF</b>	<b>Totals</b>
OPEB liability	\$ 20,674,306	\$ 1,018,572	\$ 21,692,878
Deferred outflows of resources	\$ 1,506,695	\$ 229,766	\$ 1,736,461
Deferred inflows of resources	\$ 6,322,692	\$ 58,913	\$ 6,381,605
OPEB expense	\$ 2,944,894	\$ 97,754	\$ 3,042,648

**1. TMRS – Supplemental Death Benefits**

Plan Description

The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees’ entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer’s yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The SDBF’s funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

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, 2021 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	119
Inactive employees entitled to, but not yet receiving, benefits	59
Active employees	<u>272</u>
<b>Total</b>	<b><u><u>450</u></u></b>

Total OPEB Liability

The City's total OPEB liability of \$1,018,572 was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	1.84%*
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

\* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2022

Changes in the Total OPEB Liability

		<u>Total OPEB Liability</u>
Changes for the year:		
Service cost	\$	39,561
Interest		18,845
Differences between expected and actual experience		7,585
Changes of assumptions		35,509
Benefit payments*		(10,789)
	<b>Net Changes</b>	<u>90,711</u>
Beginning balance		927,861
	<b>Ending Balance</b>	<u><u>\$ 1,018,572</u></u>

\* Benefit payments are treated as being equal to the employer's yearly contributions for retirees due to the SDBF being considered an unfunded OPEB plan under GASB 75.

The discount rate decreased from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

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

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

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

	<u>1% Decrease in Discount Rate (0.84%)</u>	<u>Discount Rate (1.84%)</u>	<u>1% Increase in Discount Rate (2.84%)</u>
City's Total OPEB Liability	<u>\$ 1,278,219</u>	<u>\$ 1,018,572</u>	<u>\$ 821,803</u>

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

At September 30, 2022, the City recognized OPEB expense of \$97,754 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 6,443	\$ 38,231
Changes in actuarial assumptions	214,832	20,682
Contributions subsequent to the measurement date	8,491	-
<b>Total</b>	<u><u>\$ 229,766</u></u>	<u><u>\$ 58,913</u></u>

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

\$8,491 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction the of total OPEB liability for the fiscal year ending September 30, 2023.

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

<b>Fiscal Year Ended September 30</b>	<b>OPEB Expense</b>
2023	\$ 39,348
2024	37,642
2025	33,332
2026	33,075
2027	14,816
Thereafter	4,149
<b>Total</b>	<b>\$ 162,362</b>

**2. Retirees Healthcare Plan**

Plan Description

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

Benefits and Contributions

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

Retirees are responsible for payment of premiums for dependent coverage, and the City pays a portion of the retiree premiums based on the number of years of service with the City. The City’s contributions to the Plan for the year ended September 30, 2022 were \$376,962 while total contributions to the Plan were \$691,133, which equal benefit payments for retirees.

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

Inactive employees or beneficiaries currently receiving benefits	58
Active employees	258
<b>Total</b>	<b>316</b>

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Valuation Date	September 30, 2022
Actuarial Cost Method	Entry Age Level
Inflation Rate	3.00%
Salary Increases	3.00%, including inflation
Discount Rate	4.40%
Mortality	General PUB-2010 Combined Table projected using MP-2021 was used with no gender roll-forwards or roll-backs.
Healthcare Cost and Trend Rates	Getzen Trend Model. Pre-65 (initial/ultimate) was 7.60%/4.44%. Post-65 (initial/ultimate) was 3.0%/4.44%.
Turnover	Based on City's experience
Retirement	Based on City's experience

Projections of health benefits are based on the Plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its retirees to that point. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

A single discount rate of 4.40% was used to measure the total OPEB liability. This single discount rate was based on the municipal bond rates as of the measurement date. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of September 30, 2022.

Changes in the Total OPEB Liability

The City's total OPEB liability of \$20,674,306 was measured as of September 30, 2022 and was determined by an actuarial valuation of as September 30, 2022.

	<b>Increase (Decrease)</b>
	<b>Total OPEB Liability</b>
Changes for the year:	
Service cost	\$ 1,858,368
Interest	1,198,861
Change of benefit terms	-
Difference between expected and actual experience	(2,832,656)
Changes in assumptions	(4,518,114)
Benefit payments	(691,133)
	<b>Net Changes</b>
	(4,984,674)
Balance at September 30, 2021	25,658,980
<b>Balance at September 30, 2022</b>	<b>\$ 20,674,306</b>

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

The discount rate increased from 2.41% as of September 30, 2021 measurement to 4.40% as of September 30, 2022. The mortality table was from RP-2014 table to PUB-2010 table and the mortality improvement scale was updated to MP-2021. The Getezen trend model pre-65 (initial/ultimate) changed from 6.80%/4.00% to 7.60%/4.44% and post-65 (initial/ultimate) was changed from 5.40%/4.00% to 3.00%/4.44%.

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

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (4.40%) in measuring the total OPEB liability:

	<b>1% Decrease (3.40%)</b>	<b>Discount Rate (4.40%)</b>	<b>1% Increase (5.40%)</b>
City's Total OPEB Liability	\$ 24,995,238	\$ 20,674,306	\$ 17,309,320

Healthcare Cost Trend Rate Sensitivity Analysis

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

	<b>1% Decrease</b>	<b>Current Healthcare Costs Trend Rate Assumption</b>	<b>1% Increase</b>
City's Total OPEB Liability	\$ 16,838,912	\$ 20,674,306	\$ 25,835,149

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$2,944,894. At September 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ -	\$ 2,557,597
Changes in actuarial assumptions	1,506,695	3,765,095
<b>Total</b>	<b>\$ 1,506,695</b>	<b>\$ 6,322,692</b>

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

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

<b>Fiscal Year Ended September 30</b>	<b>OPEB Expense</b>
2023	\$ 84,515
2024	(1,225,128)
2025	(1,225,128)
2026	(1,225,128)
2027	(1,225,128)
<b>Total</b>	<b>\$ (4,815,997)</b>

**E. Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (the “Plan”). The Plan is available to all full-time City employees at their option and permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

**F. Commitments and Contingencies**

**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 2022, the RDC paid \$300,000 for year 7 of the Agreement. The payments are made as follows:

Years 1 to 5: \$200,000 each year

Years 7 to 10: \$300,000 each year

**Rosenberg Business Park Ltd. Development Agreement**

The RDC and the City have entered into a development agreement (the “Agreement”) with 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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

improvements. The RDC and City are committed to each fund 50% of the total infrastructure costs for Phase II of the Park infrastructure. The anticipated costs for each entity is expected to be \$852,450.

**Dollar Tree, Inc. Public Improvement Construction Agreement**

The City entered into a public improvement construction agreement (the “Agreement”) with Dollar Tree, Inc. (the “Company”). The City agreed to construct public improvements noted in the Agreement. The entire costs of the construction of the public improvements shall be the responsibility and obligation of the City. The City shall substantially complete the construction of the public sanitary sewer improvements and the public water supply improvements on or before May 1, 2020. In the event of default by the Company, all costs actually incurred by the City prior to such default must be reimbursed by the Company. Interest will be charged if the reimbursement is not received within 60 days.

**Dollar Tree, Inc. Targeted Infrastructure and Performance Agreements**

The RDC entered into a targeted infrastructure agreement (the “Agreement”) with Dollar Tree, Inc. (the “Company”). The RDC agreed to provide a cash payment grant reimbursing the Company for costs incurred to construct rights-of-way improvements in an amount not to exceed \$1,650,000. Payments are not due until the City has accepted the rights-of-way improvements and assumed the maintenance. The RDC will reimburse 50% of the City real property taxes paid by the Company starting in tax year 2021 through tax year 2025. The RDC will coordinate with the necessary entities to assist in obtaining reimbursements up to \$1,800 per employee for training costs that are for jobs that comply with the wage requirements per the Agreement. The Company must obtain a certificate of occupancy and commence warehousing and distribution operations at the facility on or before the completion deadline. The Company must create and maintain 300 full-time employees with a \$15 per hour average employee wage by year three and achieve the annual benchmarks noted in the Agreement. The capital investment by the Company must be a minimum of \$130,000,000.

The RDC also entered into a performance agreement to provide an incentive grant in the amount of \$1,075,000 payable in four annual installments of \$250,000 and a final payment in year five of \$75,000. In fiscal year 2022, the RDC paid \$250,000 for the commencement incentive grant for the second anniversary.

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

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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

**G. Tax Abatement Incentives**

**Chapter 312 Property Tax Abatement Agreements**

Aldi, L.L.C.

The City created Reinvestment Zone No. 17 (the “Zone”) in accordance with Texas Tax Code 312. The City entered into a Tax Abatement Agreement (the “Agreement”) with Aldi (Texas) L.L.C. (the “Company”) in accordance with Chapter 312 of the Texas Tax Code. The tax abatement shall be applied to the extent to which the certified appraised value of the improvements and eligible tangible personal property for each applicable tax year exceeds the certified appraised value of the improvements and eligible tangible personal property for the year in which the Agreement is executed. The Company has constructed 650,000 square feet of divisional headquarters and distribution space on or before March 1, 2017. The Company must have a certified appraised value of not less than \$44 million. The Company shall receive a property tax abatement on both the improvements and eligible tangible personal property at the rate below. The term of the Agreement extends through December 31, 2026. In the event of default by the Company, the applicable amount of property taxes abated during the agreement must be repaid including interest and penalties.

Dollar Tree, Inc.

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

Seatex, LLC

The City has created Reinvestment Zone No. 21 (the “Zone”) in accordance with Texas Tax Code, Chapter 312. The City entered into a Tax Abatement Agreement (the “Agreement”) with Seatex, City of Rosenberg, Texas LLC (the “Company”) in accordance with Chapter 312 of the Texas Tax Code. The Company’s property, which is located in the Zone, is subject to a tax abatement under this Agreement. The tax abatement shall be applied to the extent to which the certified appraised

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

value of the improvements and eligible tangible personal property for each applicable tax year exceeds the certified appraised value of the improvements and eligible tangible personal property for the year in which this Agreement is executed, which was \$19,262,720. To qualify for the property tax abatement, the certified appraised value for the applicable effective tax year must be at least \$21,762,720. The Company must maintain 110 full-time employees. The term of the Agreement extends through December 31, 2024. In the event of default by the Company, the applicable amount of property taxes abated during the agreement must be repaid including interest and penalties. For fiscal year 2022, the City did not recognize any rebates.

OCuSOFT

The City has created Reinvestment Zone No. 22 (the “Zone”) in accordance with Texas Tax Code, Chapter 312. The City entered into a Tax Abatement Agreement (the “Agreement”) with OCuSOFT (the “Company”), later amended in fiscal year 2022 to remove ineligible inventory values, in accordance with Chapter 312 of the Texas Tax Code. The Company’s property, which is located in the Zone, is subject to a tax abatement under this Agreement. The tax abatement shall be applied to the extent to which the certified appraised value of the improvements and eligible tangible personal property for each applicable tax year exceeds the certified appraised value of the improvements and eligible tangible personal property. For the year in which this amended Agreement is executed this amount 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 2022, the City did not recognize any rebates.

Wet Sounds, Inc.

The City has created Reinvestment Zone No. 24 (the “Zone”) in accordance with Texas Tax Code, Chapter 312. The City entered into a Tax Abatement Agreement (the “Agreement”) with Wet Sounds, Inc. (the “Company”), later amended in fiscal year 2022, in accordance with Chapter 312 of the Texas Tax Code. The tax abatement shall be applied to the extent to which the certified appraised value of the improvements and eligible tangible personal property for each applicable tax year exceeds the certified appraised value of the improvements and eligible tangible personal property for the year in which this Agreement is executed. The Company agreed to construct 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 2022, the City did not recognize any rebates.

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

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

The City created Reinvestment Zone No. 26 (the “Zone”) in accordance with Texas Tax Code 312. The City entered into a Tax Abatement Agreement (the “Agreement”) with Sako Properties, L.P. (the “Company”) in accordance with Chapter 312 of the Texas Tax Code. The tax abatement shall be applied to the extent to which the certified appraised value of the improvements and eligible tangible personal property for each applicable tax year exceeds the certified appraised value of the improvements and eligible tangible personal property for the year in which this Agreement is executed. The Company has constructed 275,000 square feet of rentable storage space on or before December 21, 2021. The Company must have a certified appraised value of not less than \$6 million. The Company shall maintain at least three full-time employees. The Company shall receive a property tax abatement on both the improvements and eligible personal property at the rates below. The term of the Agreement extends through December 31, 2026. In the event of default by the Company, the applicable amount of property taxes abated during the Agreement must be repaid including interest and penalties. For fiscal year 2022, the City did not recognize any rebates.

Biotics Research Corporation

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

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

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

**CITY OF ROSENBERG, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

**Chapter 380 Sales Tax Abatement Agreement**

The City and the RDC entered into an agreement (the “Agreement”) with BMC Texas Sales, LLC, which changed its name in 2022 to Builders’ FirstSource (the “Company”) under Chapter 380 of the Texas Local Government Code. The Company has agreed to establish, retain, and operate regional headquarters within the City and employ a minimum of 50 full-time employees. The City and the RDC have no obligation if the aggregate City sales and use tax revenues generated by the Company, and payable to and received by the City from the State Comptroller, is less than \$3,500,000. If the applicable revenues generated exceeds \$3,500,000 for the contract year, the Company will receive a percentage of sales tax rebated from the City’s one percent, and the RDC’s one-half of one percent, of sales and use tax based on the table below. The term of the Agreement is 10 years with an additional 10-year renewal option that the Company may exercise. If the Company defaults, they will owe the City and the RDC the recapture payment which is the total of the previous two years’ program grant payments plus interest and any attorney fees. As security for the recapture payment, the Company must provide the City proof of acceptable security annually, such as a letter of credit or a surety bond. For fiscal year 2022, the City rebated \$2,318,753 and the RDC rebated \$1,159,372 in sales tax.

<u>Aggregate City Sales and Use Tax Revenue Generated</u>	<u>Percentage of Sales and Use Tax Paid</u>
\$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%

***REQUIRED SUPPLEMENTARY INFORMATION***

**CITY OF ROSENBERG, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Page 1 of 2)**  
**For the Year Ended September 30, 2022**

	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Property taxes	\$ 7,517,500	\$ 7,132,500	\$ 7,102,489	\$ (30,011)
Sales taxes	16,620,000	22,078,625	22,465,983	387,358
Franchise fees	2,135,000	2,135,000	2,210,132	75,132
Licenses and permits	874,500	1,254,500	1,330,138	75,638
Fines and forfeitures	593,800	593,800	719,479	125,679
Charges for services	5,943,245	7,183,245	7,313,402	130,157
Intergovernmental	100,000	100,000	210,200	110,200
Investment revenue	20,000	155,000	158,412	3,412
Lease revenue	-	-	16,887	16,887
Other revenue	217,800	310,625	409,739	99,114
<b>Total Revenues</b>	<b>34,021,845</b>	<b>40,943,295</b>	<b>41,936,861</b>	<b>993,566</b>
<b>Expenditures</b>				
General government:				
Mayor and City Council	76,937	76,937	53,012	23,925
City manager	850,170	782,595	736,064	46,531
City secretary	346,956	354,531	351,817	2,714
Finance	815,756	815,756	788,638	27,118
Human resources	406,775	406,775	353,680	53,095
Legal	295,000	294,000	235,476	58,524
City prosecutor	60,000	61,000	60,218	782
Municipal court	489,936	490,019	490,019	-
Technology	600,116	538,716	510,505	28,211
Communications	270,260	281,660	280,612	1,048
Nondepartmental	1,397,928	1,397,840	1,350,825	47,015
Total general government	<b>5,609,834</b>	<b>5,499,829</b>	<b>5,210,866</b>	<b>288,963</b>
Public safety:				
Police and emergency management	11,564,654	10,910,554	10,819,735	90,819
Fire and fire marshal	5,622,009	5,426,273	5,208,465	217,808
Animal control	494,966	530,891	496,756	34,135
Total public safety	<b>17,681,629</b>	<b>16,867,718</b>	<b>16,524,956</b>	<b>342,762</b>
Public works:				
Streets and drainage	2,926,043	2,878,542	2,782,865	95,677
Street lighting and signals	497,950	497,950	432,619	65,331
Solid waste	3,850,000	4,110,000	4,058,839	51,161
Building maintenance	179,169	184,124	182,916	1,208
City engineering	585,000	855,815	849,366	6,449
Fleet maintenance	451,700	451,700	451,088	612
Total public works	<b>8,489,862</b>	<b>8,978,131</b>	<b>8,757,693</b>	<b>220,438</b>

**CITY OF ROSENBERG, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Page 2 of 2)**  
**For the Year Ended September 30, 2022**

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Expenditures (Continued)</u></b>				
Community development:				
Planning	\$ 542,475	\$ 544,675	\$ 542,228	\$ 2,447
Parks and recreation	1,081,199	1,081,199	1,050,310	30,889
Special event	185,268	197,268	192,806	4,462
Code enforcement	1,014,518	936,318	914,936	21,382
Public health	184,751	176,751	166,522	10,229
Total community development	<u>3,008,211</u>	<u>2,936,211</u>	<u>2,866,802</u>	<u>69,409</u>
<b>Total Expenditures</b>	<u>34,789,536</u>	<u>34,281,889</u>	<u>33,360,317</u>	<u>921,572</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(767,691)</u>	<u>6,661,406</u>	<u>8,576,544</u>	<u>1,915,138</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	2,012,160	2,012,159	2,012,159	-
Transfers (out)	<u>(1,244,469)</u>	<u>(8,707,279)</u>	<u>(8,707,279)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>767,691</u>	<u>(6,695,120)</u>	<u>(6,695,120)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (33,714)</u>	<u>1,881,424</u>	<u>\$ 1,915,138</u>
Beginning fund balance			<u>19,116,592</u>	
<b>Ending Fund Balance</b>			<u>\$ 20,998,016</u>	

**Notes to Required Supplementary Information:**

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

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**CITY OF ROSENBERG, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**RDC PROJECTS**

For the Year Ended September 30, 2022

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 3,297,500	\$ 3,297,500	\$ 3,297,500	\$ -
Investment revenue	5,000	5,000	43,709	38,709
<b>Total Revenues</b>	3,302,500	3,302,500	3,341,209	38,709
<b>Expenditures</b>				
Current:				
Community development	-	80,655	19,872	60,783
Capital outlay	3,297,500	7,328,087	1,789,278	5,538,809
<b>Total Expenditures</b>	3,297,500	7,408,742	1,809,150	5,599,592
<b>Net Change in Fund Balance</b>	\$ 5,000	\$ (4,106,242)	1,532,059	\$ 5,638,301
Beginning fund balance			3,966,568	
<b>Ending Fund Balance</b>			\$ 5,498,627	

**Notes to Required Supplementary Information:**

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

**CITY OF ROSENBERG, TEXAS**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**For the Year Ended September 30, 2022**

	Measurement Year*			
	2021	2020	2019	2018
<b>Total Pension Liability</b>				
Service cost	\$ 3,021,004	\$ 3,050,355	\$ 2,873,947	\$ 2,657,523
Interest (on the total pension liability)	5,998,105	5,648,609	5,229,709	4,973,547
Changes in benefit terms	-	-	-	4,750,555
Difference between expected and actual experience	308,872	(347,902)	660,421	(774,670)
Change in assumptions	-	-	411,125	-
Benefit payments, including refunds of employee contributions	(3,330,847)	(2,986,505)	(3,128,444)	(3,210,794)
<b>Net Change in Total Pension Liability</b>	5,997,134	5,364,557	6,046,758	8,396,161
Beginning total pension liability	89,015,732	83,651,175	77,604,417	69,208,256
<b>Ending Total Pension Liability</b>	<u>\$ 95,012,866</u>	<u>\$ 89,015,732</u>	<u>\$ 83,651,175</u>	<u>\$ 77,604,417</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 2,929,292	\$ 2,958,350	\$ 2,798,557	\$ 2,200,858
Contributions - employee	1,258,752	1,279,088	1,198,191	987,784
Net investment income	9,858,238	5,247,667	9,146,607	(1,828,615)
Benefit payments, including refunds of employee contributions	(3,330,847)	(2,986,505)	(3,128,444)	(3,210,794)
Administrative expense	(45,581)	(33,941)	(51,663)	(35,332)
Other	312	(1,325)	(1,552)	(1,847)
<b>Net Change in Plan Fiduciary Net Position</b>	10,670,166	6,463,334	9,961,696	(1,887,946)
Beginning plan fiduciary net position	75,566,535	69,103,201	59,141,505	61,029,451
<b>Ending Plan Fiduciary Net Position</b>	<u>\$ 86,236,701</u>	<u>\$ 75,566,535</u>	<u>\$ 69,103,201</u>	<u>\$ 59,141,505</u>
<b>Net Pension Liability</b>	<u>\$ 8,776,165</u>	<u>\$ 13,449,197</u>	<u>\$ 14,547,974</u>	<u>\$ 18,462,912</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	90.76%	84.89%	82.61%	76.21%
<b>Covered Payroll</b>	\$ 17,982,169	\$ 18,200,209	\$ 17,117,016	\$ 15,724,990
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	48.80%	73.90%	84.99%	117.41%

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

**Measurement Year\***

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 2,139,697	\$ 2,034,621	\$ 1,995,907	\$ 1,665,767
4,383,721	4,180,290	4,076,807	3,869,483
-	-	-	-
69,996	(518,072)	289,636	(551,553)
-	-	(25,808)	-
<u>(2,518,656)</u>	<u>(2,952,510)</u>	<u>(2,379,033)</u>	<u>(1,994,965)</u>
4,074,758	2,744,329	3,957,509	2,988,732
65,133,498	62,389,169	58,431,660	55,442,928
<u>\$ 69,208,256</u>	<u>\$ 65,133,498</u>	<u>\$ 62,389,169</u>	<u>\$ 58,431,660</u>

\$ 1,966,261	\$ 1,928,740	\$ 1,986,101	\$ 1,843,970
898,292	858,490	840,382	743,396
7,392,526	3,389,430	73,296	2,657,661
(2,518,656)	(2,952,510)	(2,379,033)	(1,994,965)
(38,306)	(38,275)	(8,645)	(27,745)
(1,940)	(2,062)	(2,205)	(2,281)
<u>7,698,177</u>	<u>3,183,813</u>	<u>509,896</u>	<u>3,220,036</u>
53,331,274	50,147,461	49,637,565	46,417,529
<u>\$ 61,029,451</u>	<u>\$ 53,331,274</u>	<u>\$ 50,147,461</u>	<u>\$ 49,637,565</u>

<u>\$ 8,178,805</u>	<u>\$ 11,802,224</u>	<u>\$ 12,241,708</u>	<u>\$ 8,794,095</u>
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88.18%	81.88%	80.38%	84.95%
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\$ 14,942,016	\$ 14,308,168	\$ 14,006,366	\$ 12,383,933
---------------	---------------	---------------	---------------

54.74%	82.49%	87.40%	71.01%
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**CITY OF ROSENBERG, TEXAS**  
**SCHEDULE OF CONTRIBUTIONS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**For the Year Ended September 30, 2022**

	Fiscal Year*			
	2022	2021	2020	2019
Actuarially determined contribution	\$ 3,077,300	\$ 2,954,461	\$ 2,931,829	\$ 2,697,550
Contributions in relation to the actuarially determined contribution	<u>3,077,300</u>	<u>2,954,461</u>	<u>2,931,829</u>	<u>2,697,550</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 19,255,612	\$ 18,169,136	\$ 18,058,713	\$ 16,468,984
Contributions as a percentage of covered payroll	15.98%	16.26%	16.23%	16.38%

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

**Notes to Required Supplementary Information:**

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	10 year smoothed market; 12.00% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period December 31, 2014 - December 31, 2018.

Mortality

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

3. Other Information:

There were no benefit changes during the year.

**Fiscal Year\***

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 2,022,036	\$ 1,950,736	\$ 1,941,325	\$ 1,909,555
<u>2,022,036</u>	<u>1,950,736</u>	<u>1,941,325</u>	<u>1,909,555</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 15,482,968	\$ 14,742,619	\$ 14,230,199	\$ 13,181,944
13.06%	13.23%	13.64%	14.49%

**CITY OF ROSENBERG, TEXAS**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFITS**  
For the Year Ended September 30, 2022

	Measurement Year*			
	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service cost	\$ 39,561	\$ 38,220	\$ 23,964	\$ 25,160
Interest (on the total pension liability)	18,845	21,651	22,754	21,211
Difference between expected and actual experience	7,585	(33,556)	(13,902)	(18,007)
Change in assumptions	35,509	136,081	139,338	(50,334)
Benefit payments	(10,789)	(5,460)	(5,135)	(4,717)
<b>Net Change in Total OPEB Liability</b>	90,711	156,936	167,019	(26,687)
Beginning total OPEB liability	927,861	770,925	603,906	630,593
<b>Ending Total OPEB Liability</b>	<u>\$ 1,018,572</u>	<u>\$ 927,861</u>	<u>\$ 770,925</u>	<u>\$ 603,906</u>
<b>Covered-Employee Payroll</b>	\$ 17,982,169	\$ 18,220,209	\$ 17,117,016	\$ 15,724,990
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	5.66%	5.09%	4.50%	3.84%

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

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

**Notes to Required Supplementary Information:**

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	1.84%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

3. Other Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

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

There were no benefit changes during the year.

**Measurement  
Year\***

**2017**

\$	20,919
	20,658
	-
	55,204
	(4,483)
	<hr/> 92,298
	538,295
\$	<hr/> 630,593
\$	14,942,016

4.22%

**CITY OF ROSENBERG, TEXAS**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**RETIREE HEALTH CARE BENEFIT PLAN**  
For the Year Ended September 30, 2022

	Measurement Year*			
	2022	2021	2020	2019
<b>Total OPEB Liability</b>				
Service cost	\$ 1,858,368	\$ 1,814,635	\$ 1,014,357	\$ 976,940
Interest (on the total pension liability)	1,198,861	610,267	502,506	655,729
Difference between expected and actual experience	(2,832,656)	-	(788,197)	-
Change in assumptions	(4,518,114)	-	6,026,783	-
Benefit payments	(691,133)	(547,166)	(500,532)	(500,532)
<b>Net Change in Total OPEB Liability</b>	<b>(4,984,674)</b>	<b>1,877,736</b>	<b>6,254,917</b>	<b>1,132,137</b>
Beginning total OPEB liability	25,658,980	23,781,244	17,526,327	16,394,190
<b>Ending Total OPEB Liability</b>	<b>\$ 20,674,306</b>	<b>\$ 25,658,980</b>	<b>\$ 23,781,244</b>	<b>\$ 17,526,327</b>
<b>Covered-Employee Payroll</b>	<b>\$ 19,475,766</b>	<b>\$ 18,908,510</b>	<b>\$ 18,357,777</b>	<b>\$ 16,804,153</b>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	<b>106.20%</b>	<b>135.70%</b>	<b>129.50%</b>	<b>104.30%</b>

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

**Notes to Required Supplementary Information:**

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Valuation Date	September 30, 2022
Actuarial cost method	Entry age normal
Inflation	3.0%
Salary increases	3.5% including inflation
Discount rate	4.4%
Mortality	General RP-2014 Combined Table projected using MP-2021 was used with no gender roll-forwards or roll-backs.
Healthcare Cost and Trend Rates	Getzen Trend Model. Pre-65 (initial/ultimate) was 7.6%/4.0%. Post-65 (initial/ultimate) was 5.4%/4.0%.
Turnover	Based on City's experience
Retirement	Based on City's experience

3. Other Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of September 30, 2022.

There were no benefit changes during the year.

**Measurement  
Year\***

**2018**

\$ 1,035,876  
595,478

-  
(984,270)  
(461,319)

185,765  
16,208,425

\$ 16,394,190

\$ 21,716,538

75.49%

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***COMBINING STATEMENTS  
AND SCHEDULES***

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**CITY OF ROSENBERG, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
For the Year Ended September 30, 2022

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 4,861,784	\$ 4,619,284	\$ 4,619,977	\$ 693
Intergovernmental	189,582	189,582	189,582	-
Investment revenue	6,500	22,000	30,954	8,954
<b>Total Revenues</b>	5,057,866	4,830,866	4,840,513	9,647
<b>Expenditures</b>				
Debt service:				
Principal	7,474,250	7,665,000	7,665,000	-
Interest and fiscal agent fees	1,423,391	1,387,410	1,387,410	-
<b>Total Expenditures</b>	8,897,641	9,052,410	9,052,410	-
<b>(Deficiency) of Revenues (Under) Expenditures</b>	(3,839,775)	(4,221,544)	(4,211,897)	9,647
<b>Other Financing Sources (Uses)</b>				
Transfers in	3,826,842	4,017,592	4,017,592	-
<b>Total Other Financing Sources</b>	3,826,842	4,017,592	4,017,592	-
<b>Net Change in Fund Balance</b>	\$ (12,933)	\$ (203,952)	(194,305)	\$ 9,647
Beginning fund balance			5,077,025	
<b>Ending Fund Balance</b>			\$ 4,882,720	

**Notes to Supplementary Information:**

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

# **CITY OF ROSENBERG, TEXAS**

## ***NONMAJOR GOVERNMENTAL FUNDS***

### **SPECIAL REVENUE FUNDS**

#### **Hotel and Motel Occupancy Tax Fund**

The Hotel and Motel Occupancy Tax Fund accounts for revenue and expenditures from the City's hotel occupancy tax.

#### **Municipal Court Technology Fund**

The Municipal Court Technology Fund revenues are derived from State authorized court fees, which are legally restricted by Article 102.0172 of the Code of Criminal Procedures to certain expenditures. Expenditures for the Municipal Court Technology Fund are restricted to the funding of enhanced technology for the Court.

#### **Beautification Fund**

The Beautification Fund revenues consist primarily of contributions made by the City's solid waste collection contractor to be used for beautification and recycling projects.

#### **Law Enforcement Fund**

The Law Enforcement Fund revenues are derived from the proceeds of contraband seized by or forfeited to local, State or federal law enforcement officials for activities related to enforcement and abatement of illegal narcotics. Seizure and forfeiture of contraband in Texas is governed by Chapter 59 of the Texas Code of Criminal Procedure. Expenditures are restricted to those types of expenditures, which can be used to improve activities related to the prevention of illegal narcotics use.

#### **Community Development Block Grant Fund**

The Community Development Block Grant (CDBG) Fund proceeds are received as a pass-through grant from the State through Fort Bend County. For the past several years, the City has been using these grant proceeds to construct water and sanitary sewer lines.

#### **Police Asset Forfeiture Fund**

The Police Asset Forfeiture Fund revenues are derived from the proceeds of assets seized by local and State law enforcement officials for activities related to enforcement and abatement of criminal statutes or from proceeds of assets deemed abandoned or unclaimed property. These funds are classified as revenues under Chapter 18 or Chapter 47 of the Code of Criminal Procedures. Expenditures can be used to improve activities related to general law enforcement programs and law enforcement equipment.

#### **Park Land Dedication Fund**

The Park Land Dedication Fund is designed to create new or to upgrade existing parks within the applicable park zones. The funding is derived from developments that are established within the City, which have chosen to give the City funds in lieu of creating parks within new residential communities. The allocation of these funds is restricted to the zone from which the revenues are derived and must be spent within ten years of being collected.

#### **Juvenile Case Manager Fund**

The Juvenile Case Manager Fund revenues are derived from State authorized court fees, which are legally restricted by Article 102.0174 of the Code of Criminal Procedures to certain expenditures. These funds can be used to fund a juvenile case manager.

#### **Municipal Court Child Safety Fund**

The 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 Building Security Fund revenues are derived from State authorized court fees, which are legally restricted by Article 102.017 of the Code of Criminal Procedures to certain expenditures. These funds can only be used to finance items used for providing security services for buildings housing Municipal Court.

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

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

# **CITY OF ROSENBERG, TEXAS**

## ***NONMAJOR GOVERNMENTAL FUNDS (Continued)***

### **Police Federal Forfeiture Fund**

The Police Federal Forfeiture Fund revenues are derived from the proceeds of assets seized by federal law enforcement officials that are transferred to any State or local law enforcement agency that directly participated in an investigation or prosecution that resulted in a federal forfeiture. The U.S. Department of Justice Asset Forfeiture Program is a nationwide law enforcement initiative that helps deter crime and fosters cooperation among federal, State, and local law enforcement agencies. The Department of Justice administers the Equitable Sharing Program and requires each agency to comply with guidelines by completing a yearly Equitable Sharing Agreement and Certification every year the agency receives funds. Expenditures can be used to improve activities related to general law enforcement programs and law enforcement equipment.

### **Fire Station Number 3 Operating Fund**

The Fire Station No. 3 Operating Fund has been established to separate the annual operating costs for Fire Station No. 3 from the General Fund Fire Department Budget. Revenues from the General Fund and the MUD Fire Services Fund provide funds to operate Fire Station No. 3. This fund enables the City to conduct the administrative review which is required by the Fire Service Agreements.

### **Cable PEG Fees Fund**

The Cable PEG Fund was created to account for the 1% Public, Educational or Governmental (PEG) fee that began to be collected and remitted by franchised cable television providers in the City pursuant to the State cable franchise effective January 1, 2012. These funds are restricted to fund capital expenditures associated with the City's municipal cable channel and programming.

### **CDBG-Mitigation Drainage Improvement Fund**

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

## **CAPITAL PROJECTS FUNDS**

### **Operating Projects**

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 Funds**

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

### **2014 General Obligation**

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

### **2017 Certificates of Obligation**

This fund is used to account for improvements to roads, Spacek Road, railroad quiet zones, Park Place/Fairgrounds and sanitary sewer projects.

### **Street Improvement Fund**

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

### **Capital Improvement Fund**

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

### **Capacity Funds**

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

**CITY OF ROSENBERG, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 3)**  
**September 30, 2022**

**Special Revenue Funds**

	<b>Hotel and Motel Occupancy Tax</b>	<b>Municipal Court Technology</b>	<b>Beautification</b>	<b>Law Enforcement</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 734,460	\$ 5,538	\$ 207,191	\$ 402,538
Receivables, net	46,276	-	-	-
Prepaid items	125	-	-	-
<b>Total Assets</b>	<b>\$ 780,861</b>	<b>\$ 5,538</b>	<b>\$ 207,191</b>	<b>\$ 402,538</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 23,599	\$ -	\$ 26	\$ 4,158
<b>Total Liabilities</b>	<b>23,599</b>	<b>-</b>	<b>26</b>	<b>4,158</b>
<b>Fund balances</b>				
Nonspendable:				
Prepays	125	-	-	-
Restricted for:				
Public safety	-	5,538	-	398,380
Parks	-	-	207,165	-
Tourism	757,137	-	-	-
Governmental programming	-	-	-	-
Capital projects	-	-	-	-
Committed for:				
Capital projects	-	-	-	-
<b>Total Fund Balances</b>	<b>757,262</b>	<b>5,538</b>	<b>207,165</b>	<b>398,380</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 780,861</b>	<b>\$ 5,538</b>	<b>\$ 207,191</b>	<b>\$ 402,538</b>

**Special Revenue Funds**

<b>Community Development Block Grant</b>	<b>Police Asset Forfeiture</b>	<b>Park Land Dedication</b>	<b>Juvenile Case Manager</b>	<b>Municipal Court Child Safety</b>	<b>Municipal Court Building Security</b>
\$ 303,846	\$ 46,120	\$ 1,045,670	\$ 131,112	\$ 217,180	\$ 36,523
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 303,846</u>	<u>\$ 46,120</u>	<u>\$ 1,045,670</u>	<u>\$ 131,112</u>	<u>\$ 217,180</u>	<u>\$ 36,523</u>
<u>\$ -</u>	<u>\$ 11,989</u>	<u>\$ -</u>	<u>\$ 54</u>	<u>\$ 701</u>	<u>\$ -</u>
<u>-</u>	<u>11,989</u>	<u>-</u>	<u>54</u>	<u>701</u>	<u>-</u>
-	-	-	-	-	-
-	34,131	-	131,058	216,479	36,523
-	-	1,045,670	-	-	-
-	-	-	-	-	-
303,846	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>303,846</u>	<u>34,131</u>	<u>1,045,670</u>	<u>131,058</u>	<u>216,479</u>	<u>36,523</u>
<u>\$ 303,846</u>	<u>\$ 46,120</u>	<u>\$ 1,045,670</u>	<u>\$ 131,112</u>	<u>\$ 217,180</u>	<u>\$ 36,523</u>

**CITY OF ROSENBERG, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 3)**  
**September 30, 2022**

**Special Revenue Funds**

	<b>MUD Fire Services</b>	<b>Police Federal Forfeiture</b>	<b>Fire Station Number 3 Operating</b>	<b>Cable PEG Fees</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 579,707	\$ 211,754	\$ 151,544	\$ 289,792
Receivables, net	-	-	-	12,178
Prepaid items	-	-	274	-
<b>Total Assets</b>	<b>\$ 579,707</b>	<b>\$ 211,754</b>	<b>\$ 151,818</b>	<b>\$ 301,970</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ -	\$ 4,387	\$ 79,571	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>4,387</b>	<b>79,571</b>	<b>-</b>
<b>Fund balances</b>				
Nonspendable:				
Prepays	-	-	274	-
Restricted for:				
Public safety	579,707	207,367	71,973	-
Parks	-	-	-	-
Tourism	-	-	-	-
Governmental programming	-	-	-	-
Capital projects	-	-	-	301,970
Committed for:				
Capital projects	-	-	-	-
<b>Total Fund Balances</b>	<b>579,707</b>	<b>207,367</b>	<b>72,247</b>	<b>301,970</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 579,707</b>	<b>\$ 211,754</b>	<b>\$ 151,818</b>	<b>\$ 301,970</b>

<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>				
<b>CDBG Mitigation Drainage Improvement</b>	<b>Operating Projects</b>	<b>Bamore Road County Mobility Project</b>	<b>Spacek Road County Mobility Project</b>	<b>2014 General Obligation</b>	<b>2017 Certificates of Obligation</b>
\$ 5,617	\$ 1,270,200	\$ 5,585,365	\$ -	\$ 20,022	\$ 2,466,357
769,766	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 775,383</u>	<u>\$ 1,270,200</u>	<u>\$ 5,585,365</u>	<u>\$ -</u>	<u>\$ 20,022</u>	<u>\$ 2,466,357</u>
<u>\$ 339,505</u>	<u>\$ 62,716</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,022</u>	<u>\$ 101,087</u>
339,505	62,716	-	-	20,022	101,087
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
435,878	-	-	-	-	-
-	-	5,585,365	-	-	2,365,270
-	1,207,484	-	-	-	-
435,878	1,207,484	5,585,365	-	-	2,365,270
<u>\$ 775,383</u>	<u>\$ 1,270,200</u>	<u>\$ 5,585,365</u>	<u>\$ -</u>	<u>\$ 20,022</u>	<u>\$ 2,466,357</u>

**CITY OF ROSENBERG, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 3 of 3)**  
**September 30, 2022**

**Capital Projects Funds**

	<u>Street Improvement</u>	<u>Capital Improvement</u>	<u>Seabourne Creek Capacity</u>	<u>Dry Creek Capacity</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 2,130,172	\$ 7,814,217	\$ 828	\$ 2,229,129
Receivables, net	-	-	-	-
Prepaid items	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,130,172</b>	<b>\$ 7,814,217</b>	<b>\$ 828</b>	<b>\$ 2,229,129</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ -	\$ 2,048	\$ 825	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>2,048</b>	<b>825</b>	<b>-</b>
<b><u>Fund balances</u></b>				
Nonspendable:				
Prepays	-	-	-	-
Restricted for:				
Public safety	-	-	-	-
Parks	-	-	-	-
Tourism	-	-	-	-
Governmental programming	-	-	-	-
Capital projects	-	-	3	2,229,129
Committed for:				
Capital projects	2,130,172	7,812,169	-	-
<b>Total Fund Balances</b>	<b>2,130,172</b>	<b>7,812,169</b>	<b>3</b>	<b>2,229,129</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,130,172</b>	<b>\$ 7,814,217</b>	<b>\$ 828</b>	<b>\$ 2,229,129</b>

**Total Nonmajor  
Governmental  
Funds**

\$ 25,884,882  
828,220  
399

\$ 26,713,501

\$ 650,688

650,688

399

1,681,156

1,252,835

757,137

739,724

10,481,737

11,149,825

26,062,813

\$ 26,713,501

**CITY OF ROSENBERG, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (Page 1 of 3)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2022

Special Revenue Funds

	<u>Hotel and Motel Occupancy Tax</u>	<u>Municipal Court Technology</u>	<u>Beautification</u>	<u>Law Enforcement</u>
<b>Revenues</b>				
Franchise fees	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	598,857	-	-	-
Fines and forfeitures	-	21,647	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	205,073
Investment revenue	4,935	28	1,416	3,013
Other revenue	8,158	-	28,000	-
<b>Total Revenues</b>	<u>611,950</u>	<u>21,675</u>	<u>29,416</u>	<u>208,086</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	-	20,000	-	211,789
Economic development	161,680	-	16,465	-
<b>Capital outlay</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>161,680</u>	<u>20,000</u>	<u>16,465</u>	<u>211,789</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>450,270</u>	<u>1,675</u>	<u>12,951</u>	<u>(3,703)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	(423,976)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(423,976)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	26,294	1,675	12,951	(3,703)
Beginning fund balances	<u>730,968</u>	<u>3,863</u>	<u>194,214</u>	<u>402,083</u>
<b>Ending Fund Balances</b>	<u>\$ 757,262</u>	<u>\$ 5,538</u>	<u>\$ 207,165</u>	<u>\$ 398,380</u>

**Special Revenue Funds**

<b>Community Development Block Grant</b>	<b>Police Asset Forfeiture</b>	<b>Park Land Dedication</b>	<b>Juvenile Case Manager</b>	<b>Municipal Court Child Safety</b>	<b>Municipal Court Building Security</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	26,795	42,276	25,054
-	-	-	-	-	-
-	-	-	-	-	-
-	302	6,662	928	1,653	238
-	6,155	502,643	-	-	-
-	6,457	509,305	27,723	43,929	25,292
-	-	-	-	37,882	-
-	6,099	-	-	-	-
-	-	-	-	-	-
-	-	248,065	-	-	-
-	6,099	248,065	-	37,882	-
-	358	261,240	27,723	6,047	25,292
-	-	-	-	-	-
-	-	-	(39,829)	(7,800)	(10,000)
-	-	-	(39,829)	(7,800)	(10,000)
-	358	261,240	(12,106)	(1,753)	15,292
303,846	33,773	784,430	143,164	218,232	21,231
<u>\$ 303,846</u>	<u>\$ 34,131</u>	<u>\$ 1,045,670</u>	<u>\$ 131,058</u>	<u>\$ 216,479</u>	<u>\$ 36,523</u>

**CITY OF ROSENBERG, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (Page 2 of 3)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2022**

Special Revenue Funds

	<u>MUD Fire Services</u>	<u>Police Federal Forfeiture</u>	<u>Fire Station Number 3 Operating</u>	<u>Cable PEG Fees</u>
<b>Revenues</b>				
Franchise fees	\$ -	\$ -	\$ -	\$ 48,527
Hotel occupancy tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	1,601,190	59,324	4,220	-
Investment revenue	3,828	1,226	1,336	2,399
Other revenue	-	-	-	-
<b>Total Revenues</b>	<u>1,605,018</u>	<u>60,550</u>	<u>5,556</u>	<u>50,926</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	-	40,929	1,612,560	-
Economic development	-	-	-	-
<b>Capital outlay</b>	-	-	-	87,284
<b>Total Expenditures</b>	<u>-</u>	<u>40,929</u>	<u>1,612,560</u>	<u>87,284</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,605,018</u>	<u>19,621</u>	<u>(1,607,004)</u>	<u>(36,358)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	1,593,182	-
Transfers (out)	(1,498,713)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,498,713)</u>	<u>-</u>	<u>1,593,182</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	106,305	19,621	(13,822)	(36,358)
Beginning fund balances	<u>473,402</u>	<u>187,746</u>	<u>86,069</u>	<u>338,328</u>
<b>Ending Fund Balances</b>	<u>\$ 579,707</u>	<u>\$ 207,367</u>	<u>\$ 72,247</u>	<u>\$ 301,970</u>

<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>				
<b>CDBG Mitigation Drainage Improvement</b>	<b>Operating Projects</b>	<b>Bamore Road County Mobility Project</b>	<b>Spacek Road County Mobility Project</b>	<b>2014 General Obligation</b>	<b>2017 Certificates of Obligation</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,590,118	26,683	849,578	-	-	-
550	8,466	36,154	-	864	30,282
-	38,739	-	-	-	-
<u>1,590,668</u>	<u>73,888</u>	<u>885,732</u>	<u>-</u>	<u>864</u>	<u>30,282</u>
-	164,595	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,590,118	322,170	195,756	-	-	4,237
<u>1,590,118</u>	<u>486,765</u>	<u>195,756</u>	<u>-</u>	<u>-</u>	<u>4,237</u>
550	(412,877)	689,976	-	864	26,045
349,661	712,810	334,782	-	-	-
-	-	-	(334,782)	(349,661)	(2,008,596)
<u>349,661</u>	<u>712,810</u>	<u>334,782</u>	<u>(334,782)</u>	<u>(349,661)</u>	<u>(2,008,596)</u>
350,211	299,933	1,024,758	(334,782)	(348,797)	(1,982,551)
85,667	907,551	4,560,607	334,782	348,797	4,347,821
<u>\$ 435,878</u>	<u>\$ 1,207,484</u>	<u>\$ 5,585,365</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,365,270</u>

**CITY OF ROSENBERG, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (Page 3 of 3)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2022

**Capital Projects Funds**

	<u>Street Improvement</u>	<u>Capital Improvement</u>	<u>Seabourne Creek Capacity</u>	<u>Dry Creek Capacity</u>
<b>Revenues</b>				
Franchise fees	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	876,120
Intergovernmental	-	-	-	-
Investment revenue	14,506	21,199	55	15,647
Other revenue	-	-	-	-
<b>Total Revenues</b>	<u>14,506</u>	<u>21,199</u>	<u>55</u>	<u>891,767</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	-	-
<b>Capital outlay</b>	<u>1,412,339</u>	<u>62,242</u>	<u>41,025</u>	<u>67,950</u>
<b>Total Expenditures</b>	<u>1,412,339</u>	<u>62,242</u>	<u>41,025</u>	<u>67,950</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,397,833)</u>	<u>(41,043)</u>	<u>(40,970)</u>	<u>823,817</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,150,000	6,750,000	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>1,150,000</u>	<u>6,750,000</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(247,833)	6,708,957	(40,970)	823,817
Beginning fund balances	<u>2,378,005</u>	<u>1,103,212</u>	<u>40,973</u>	<u>1,405,312</u>
<b>Ending Fund Balances</b>	<u>\$ 2,130,172</u>	<u>\$ 7,812,169</u>	<u>\$ 3</u>	<u>\$ 2,229,129</u>

**Total Nonmajor  
Governmental  
Funds**

\$ 48,527  
598,857  
115,772  
876,120  
4,336,186  
155,687  
583,695

6,714,844

202,477  
1,891,377  
178,145  
4,031,186

6,303,185

411,659

10,890,435  
(4,673,357)  
6,217,078

6,628,737

19,434,076

\$ 26,062,813

**CITY OF ROSENBERG, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended September 30, 2022

<b>Hotel and Motel Occupancy Tax</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Hotel and motel taxes	\$ 520,000	\$ 520,000	\$ 598,857	\$ 78,857
Investment earnings	749	749	4,935	4,186
Other revenue	1,000	1,000	8,158	7,158
<b>Total Revenues</b>	<b>521,749</b>	<b>521,749</b>	<b>611,950</b>	<b>90,201</b>
<b>Expenditures</b>				
<b>Current:</b>				
Economic development	216,549	216,549	161,680	54,869
<b>Total Expenditures</b>	<b>216,549</b>	<b>216,549</b>	<b>161,680</b>	<b>54,869</b>
<b>Excess of Revenues Over Expenditures</b>	<b>305,200</b>	<b>305,200</b>	<b>450,270</b>	<b>145,070</b>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(423,976)	(423,976)	(423,976)	-
<b>Total Other Financing (Uses)</b>	<b>(423,976)</b>	<b>(423,976)</b>	<b>(423,976)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ (118,776)</b>	<b>\$ (118,776)</b>	<b>26,294</b>	<b>\$ 145,070</b>
Beginning fund balance			730,968	
<b>Ending Fund Balance</b>			<b>\$ 757,262</b>	

<b>Municipal Court Technology</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Fines and forfeitures	\$ 18,000	\$ 20,000	\$ 21,176	\$ 1,176
Investment earnings	10	10	471	461
Other revenue	-	-	28	28
<b>Total Revenues</b>	<b>18,010</b>	<b>20,010</b>	<b>21,675</b>	<b>1,665</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	18,310	20,310	20,000	310
<b>Total Expenditures</b>	<b>18,310</b>	<b>20,310</b>	<b>20,000</b>	<b>310</b>
<b>Net Change in Fund Balance</b>	<b>\$ (300)</b>	<b>\$ (300)</b>	<b>1,675</b>	<b>\$ 1,975</b>
Beginning fund balance			3,863	
<b>Ending Fund Balance</b>			<b>\$ 5,538</b>	

**Notes to Supplementary Information:**

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

**CITY OF ROSENBERG, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL (Continued)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended September 30, 2022

Beautification				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Investment earnings	\$ 200	\$ 200	\$ 1,416	\$ 1,216
Other revenue	24,000	24,000	28,000	4,000
<b>Total Revenues</b>	24,200	24,200	29,416	5,216
<b>Expenditures</b>				
<b>Current:</b>				
Economic development	33,000	33,000	16,465	16,535
<b>Total Expenditures</b>	33,000	33,000	16,465	16,535
<b>Net Change in Fund Balance</b>	\$ (8,800)	\$ (8,800)	12,951	\$ 21,751
Beginning fund balance			194,214	
<b>Ending Fund Balance</b>			\$ 207,165	

Law Enforcement				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 205,073	\$ 205,073
Investment earnings	499	499	3,013	2,514
<b>Total Revenues</b>	499	499	208,086	207,587
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	113,500	221,660	211,789	9,871
<b>Total Expenditures</b>	113,500	221,660	211,789	9,871
<b>Net Change in Fund Balance</b>	\$ (113,001)	\$ (221,161)	(3,703)	\$ 217,458
Beginning fund balance			402,083	
<b>Ending Fund Balance</b>			\$ 398,380	

**Notes to Supplementary Information:**

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

**CITY OF ROSENBERG, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL (Continued)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended September 30, 2022

Community Development Block Grant				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 1,194,701	\$ 1,194,701	\$ -	\$ (1,194,701)
<b>Total Revenues</b>	1,194,701	1,194,701	-	(1,194,701)
<b>Expenditures</b>				
<b>Current:</b>				
Economic development	1,327,446	1,327,446	-	1,327,446
<b>Total Expenditures</b>	1,327,446	1,327,446	-	1,327,446
<b>Net Change in Fund Balance</b>	\$ (132,745)	\$ (132,745)	-	\$ 132,745
Beginning fund balance			303,846	
<b>Ending Fund Balance</b>			\$ 303,846	

Police Asset Forfeiture				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Investment earnings	\$ 50	\$ 50	\$ 302	\$ 252
Other revenue	-	-	6,155	6,155
<b>Total Revenues</b>	50	50	6,457	6,407
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	10,000	10,000	6,099	3,901
<b>Total Expenditures</b>	10,000	10,000	6,099	3,901
<b>Net Change in Fund Balance</b>	\$ (9,950)	\$ (9,950)	358	\$ 10,308
Beginning fund balance			33,773	
<b>Ending Fund Balance</b>			\$ 34,131	

**Notes to Supplementary Information:**

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

**CITY OF ROSENBERG, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL (Continued)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended September 30, 2022

Park Land Dedication				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive Negative (Negative)
<b>Revenues</b>				
Investment earnings	\$ 500	\$ 500	\$ 6,662	\$ 6,162
Other revenues	5,000	145,000	502,643	357,643
<b>Total Revenues</b>	5,500	145,500	509,305	363,805
<b>Expenditures</b>				
<b>Current:</b>				
Capital outlay	90,500	561,950	248,065	313,885
<b>Total Expenditures</b>	90,500	561,950	248,065	313,885
<b>Net Change in Fund Balance</b>	\$ (85,000)	\$ (416,450)	261,240	\$ 677,690
Beginning fund balance			784,430	
<b>Ending Fund Balance</b>			\$ 1,045,670	

Juvenile Case Manager				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive Negative (Negative)
<b>Revenues</b>				
Fines and forfeitures	\$ 23,000	\$ 23,000	\$ 26,795	\$ 3,795
Investment earnings	100	100	928	828
<b>Total Revenues</b>	23,100	23,100	27,723	4,623
<b>Expenditures</b>				
<b>Current:</b>				
General government	2,000	2,000	-	2,000
<b>Total Expenditures</b>	2,000	2,000	-	2,000
<b>Excess of Revenues Over Expenditures</b>	21,100	21,100	27,723	6,623
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(39,829)	(39,829)	(39,829)	-
<b>Total Other Financing (Uses)</b>	(39,829)	(39,829)	(39,829)	-
<b>Net Change in Fund Balance</b>	\$ (18,729)	\$ (18,729)	(12,106)	\$ 6,623
Beginning fund balance			143,164	
<b>Ending Fund Balance</b>			\$ 131,058	

**Notes to Supplementary Information:**

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

**CITY OF ROSENBERG, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL (Continued)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended September 30, 2022**

<b>Municipal Court Child Safety</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Fines and forfeitures	\$ 41,000	\$ 41,000	\$ 42,276	\$ 1,276
Investment earnings	200	200	1,653	1,453
<b>Total Revenues</b>	<b>41,200</b>	<b>41,200</b>	<b>43,929</b>	<b>2,729</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	53,000	53,000	37,882	15,118
<b>Total Expenditures</b>	<b>53,000</b>	<b>53,000</b>	<b>37,882</b>	<b>15,118</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(11,800)</b>	<b>(11,800)</b>	<b>6,047</b>	<b>17,847</b>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(7,800)	(7,800)	(7,800)	-
<b>Total Other Financing (Uses)</b>	<b>(7,800)</b>	<b>(7,800)</b>	<b>(7,800)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ (19,600)</b>	<b>\$ (19,600)</b>	<b>(1,753)</b>	<b>\$ 17,847</b>
Beginning fund balance			218,232	
<b>Ending Fund Balance</b>			<b>\$ 216,479</b>	
<b>Municipal Court Building Security</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 25,054	\$ 5,054
Investment earnings	-	-	238	238
<b>Total Revenues</b>	<b>20,000</b>	<b>20,000</b>	<b>25,292</b>	<b>5,292</b>
<b>Excess of Revenues Over Expenditures</b>	<b>20,000</b>	<b>20,000</b>	<b>25,292</b>	<b>5,292</b>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(10,000)	(10,000)	(10,000)	-
<b>Total Other Financing (Uses)</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>15,292</b>	<b>\$ 5,292</b>
Beginning fund balance			21,231	
<b>Ending Fund Balance</b>			<b>\$ 36,523</b>	

**Notes to Supplementary Information:**

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

**CITY OF ROSENBERG, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL (Continued)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended September 30, 2022

MUD Fire				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 1,394,000	\$ 1,394,000	\$ 1,601,190	\$ 207,190
Investment earnings	251	251	3,828	3,577
<b>Total Revenues</b>	1,394,251	1,394,251	1,605,018	210,767
<b>Excess of Revenues Over Expenditures</b>				
	1,394,251	1,394,251	1,605,018	210,767
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(1,498,713)	(1,498,713)	(1,498,713)	-
<b>Total Other Financing (Uses)</b>	(1,498,713)	(1,498,713)	(1,498,713)	-
<b>Net Change in Fund Balance</b>	\$ (104,462)	\$ (104,462)	106,305	\$ 210,767
Beginning fund balance			473,402	
<b>Ending Fund Balance</b>			\$ 579,707	
Police Federal Forfeiture				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 8,100	\$ 8,100	\$ 59,324	\$ 51,224
Investment earnings	101	101	1,226	1,125
<b>Total Revenues</b>	8,201	8,201	60,550	52,349
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	43,100	43,100	40,929	2,171
<b>Total Expenditures</b>	43,100	43,100	40,929	2,171
<b>Net Change in Fund Balance</b>	\$ (34,899)	\$ (34,899)	19,621	\$ 54,520
Beginning fund balance			187,746	
<b>Ending Fund Balance</b>			\$ 207,367	

**Notes to Supplementary Information:**

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

**CITY OF ROSENBERG, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL (Continued)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended September 30, 2022**

<b>Fire Station #3</b>				<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
	<b>Budget</b>	<b>Budget</b>	<b>Amounts</b>	<b>Positive</b>
	<b>Amounts</b>	<b>Amounts</b>	<b>Amounts</b>	<b>(Negative)</b>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 4,220	\$ 4,220
Investment earnings	202	202	1,336	1,134
<b>Total Revenues</b>	<u>202</u>	<u>202</u>	<u>5,556</u>	<u>5,354</u>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	1,633,165	1,633,165	1,612,560	20,605
<b>Total Expenditures</b>	<u>1,633,165</u>	<u>1,633,165</u>	<u>1,612,560</u>	<u>20,605</u>
<b>(Deficiency) of Revenues (Under)</b>				
<b>Expenditures</b>	<u>(1,632,963)</u>	<u>(1,632,963)</u>	<u>(1,607,004)</u>	<u>25,959</u>
<b>Other Financing Sources</b>				
Transfers in	1,593,182	1,593,182	1,593,182	-
<b>Total Other Financing Sources</b>	<u>1,593,182</u>	<u>1,593,182</u>	<u>1,593,182</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (39,781)</u>	<u>\$ (39,781)</u>	<u>(13,822)</u>	<u>\$ 25,959</u>
Beginning fund balance			86,069	
<b>Ending Fund Balance</b>			<u>\$ 72,247</u>	

<b>Cable PEG Fees</b>				<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
	<b>Budget</b>	<b>Budget</b>	<b>Amounts</b>	<b>Positive</b>
	<b>Amounts</b>	<b>Amounts</b>	<b>Amounts</b>	<b>(Negative)</b>
<b>Revenues</b>				
Franchise fees	\$ 55,000	\$ 55,000	\$ 48,527	\$ (6,473)
Investment earnings	300	300	2,399	2,099
<b>Total Revenues</b>	<u>55,300</u>	<u>55,300</u>	<u>50,926</u>	<u>(4,374)</u>
<b>Expenditures</b>				
Capital outlay	145,000	145,000	87,284	57,716
<b>Total Expenditures</b>	<u>145,000</u>	<u>145,000</u>	<u>87,284</u>	<u>57,716</u>
<b>Net Change in Fund Balance</b>	<u>\$ (89,700)</u>	<u>\$ (89,700)</u>	<u>(36,358)</u>	<u>\$ 53,342</u>
Beginning fund balance			338,328	
<b>Ending Fund Balance</b>			<u>\$ 301,970</u>	

**Notes to Supplementary Information:**

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

**CITY OF ROSENBERG, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL (Continued)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended September 30, 2022**

CDBG Mitigation Drainage Improvement				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 550	\$ 550
<b>Total Revenues</b>	-	-	550	550
<b>Excess of Revenues Over Expenditures</b>				
	-	-	550	550
<b>Other Financing Sources (Uses)</b>				
Transfers in	389,500	389,500	349,661	(39,839)
<b>Total Other Financing Sources</b>	389,500	389,500	349,661	(39,839)
<b>Net Change in Fund Balance</b>	\$ 389,500	\$ 389,500	350,211	\$ (39,289)
Beginning fund balance			85,667	
<b>Ending Fund Balance</b>			\$ 435,878	

**Notes to Supplementary Information:**

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

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**CITY OF ROSENBERG, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**

September 30, 2022

	<u>Health Insurance</u>	<u>Fleet Replacement</u>	<u>Information Services</u>	<u>Total Internal Service Funds</u>
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 733,911	\$ 6,061,202	\$ 267,549	\$ 7,062,662
Prepaid expense	730	1,409,627	66,734	1,477,091
<b>Total Current Assets</b>	<u>734,641</u>	<u>7,470,829</u>	<u>334,283</u>	<u>8,539,753</u>
<b>Noncurrent assets</b>				
Capital assets:				
Machinery and equipment	-	4,869,242	355,939	5,225,181
Less accumulated depreciation	-	(3,627,746)	(315,565)	(3,943,311)
Right-to-use assets, net	-	-	144,240	144,240
<b>Total Capital Assets (Net)</b>	<u>-</u>	<u>1,241,496</u>	<u>184,614</u>	<u>1,426,110</u>
<b>Total Noncurrent Assets</b>	<u>-</u>	<u>1,241,496</u>	<u>184,614</u>	<u>1,426,110</u>
<b>Total Assets</b>	<u>734,641</u>	<u>8,712,325</u>	<u>518,897</u>	<u>9,965,863</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	-	11,756	12,495	24,251
Leases payable - current	-	-	57,465	57,465
<b>Total Current Liabilities</b>	<u>-</u>	<u>11,756</u>	<u>69,960</u>	<u>81,716</u>
<b>Noncurrent liabilities</b>				
Leases payable - noncurrent	-	-	86,712	86,712
<b>Total Noncurrent Liabilities</b>	<u>-</u>	<u>-</u>	<u>86,712</u>	<u>86,712</u>
<b>Total Liabilities</b>	<u>-</u>	<u>11,756</u>	<u>156,672</u>	<u>168,428</u>
<b>Net Position</b>				
Net investment in capital assets	-	1,241,497	97,902	1,339,399
Unrestricted net position	734,641	7,459,072	264,323	8,458,036
<b>Total Net Position</b>	<u>\$ 734,641</u>	<u>\$ 8,700,569</u>	<u>\$ 362,225</u>	<u>\$ 9,797,435</u>

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

For the Year Ended September 30, 2022

	<u>Health Insurance</u>	<u>Fleet Replacement</u>	<u>Information Services</u>	<u>Total Internal Service Funds</u>
<b><u>Operating Revenues</u></b>				
Changes for services	\$ 3,792,292	\$ 757,665	\$ 1,011,610	\$ 5,561,567
<b>Total Operating Revenues</b>	<u>3,792,292</u>	<u>757,665</u>	<u>1,011,610</u>	<u>5,561,567</u>
<b><u>Operating Expenses</u></b>				
Cost of sales and services	3,723,180	4,495	912,793	4,640,468
Depreciation	-	296,054	75,075	371,129
<b>Total Operating Expenses</b>	<u>3,723,180</u>	<u>300,549</u>	<u>987,868</u>	<u>5,011,597</u>
<b>Operating Income</b>	<u>69,112</u>	<u>457,116</u>	<u>23,742</u>	<u>549,970</u>
<b><u>Nonoperating Revenues (Expenses)</u></b>				
Investment revenue	1,086	42,194	1,869	45,149
Interest expense and fiscal charges	-	-	(774)	(774)
<b>Total Nonoperating Revenues</b>	<u>1,086</u>	<u>42,194</u>	<u>1,095</u>	<u>44,375</u>
<b>Change in Net Position</b>	70,198	499,310	24,837	594,345
Beginning net position	<u>664,443</u>	<u>8,201,259</u>	<u>337,388</u>	<u>9,203,090</u>
<b>Ending Net Position</b>	<u>\$ 734,641</u>	<u>\$ 8,700,569</u>	<u>\$ 362,225</u>	<u>\$ 9,797,435</u>

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

For the Year Ended September 30, 2022

	<u>Health Insurance</u>	<u>Fleet Replacement</u>	<u>Information Services</u>	<u>Total Internal Service Funds</u>
<b><u>Cash Flows from Operating Activities</u></b>				
Receipts from customers and users	\$ 3,791,562	\$ 757,665	\$ 1,012,410	\$ 5,561,637
Payments to suppliers	<u>(3,726,565)</u>	<u>(1,539,406)</u>	<u>(910,868)</u>	<u>(6,176,839)</u>
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>64,997</u>	<u>(781,741)</u>	<u>101,542</u>	<u>(615,202)</u>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Purchase of equipment	-	(286,932)	(8,336)	(295,268)
Interest and fiscal charges	-	-	(774)	(774)
Principal paid on capital debt	<u>-</u>	<u>-</u>	<u>(57,251)</u>	<u>(57,251)</u>
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>-</u>	<u>(286,932)</u>	<u>(66,361)</u>	<u>(353,293)</u>
<b><u>Cash Flows from Investing Activities</u></b>				
Interest on investments	<u>1,086</u>	<u>42,194</u>	<u>1,869</u>	<u>45,149</u>
<b>Net Cash Provided by Investing Activities</b>	<u>1,086</u>	<u>42,194</u>	<u>1,869</u>	<u>45,149</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	66,083	(1,026,479)	37,050	(923,346)
Cash and cash equivalents, beginning of year	<u>667,828</u>	<u>7,087,681</u>	<u>230,499</u>	<u>7,986,008</u>
<b>Ending Cash and Cash Equivalents</b>	<u>\$ 733,911</u>	<u>\$ 6,061,202</u>	<u>\$ 267,549</u>	<u>\$ 7,062,662</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income	\$ 69,112	\$ 457,116	\$ 23,742	\$ 549,970
<b>Adjustments to reconcile operating income to net cash provided (Used) by operating activities:</b>				
Depreciation and amortization	-	296,054	75,075	371,129
<b>Changes in Operating Assets and Liabilities:</b>				
<b>(Increase) Decrease in Current Assets:</b>				
Prepaid items	(730)	-	800	70
<b>Increase (Decrease) in Current Liabilities:</b>				
Accounts payable and accrued liabilities	<u>(3,385)</u>	<u>(1,534,911)</u>	<u>1,925</u>	<u>(1,536,371)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 64,997</u>	<u>\$ (781,741)</u>	<u>\$ 101,542</u>	<u>\$ (615,202)</u>

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## ***STATISTICAL SECTION***

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the government's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	134
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	146
<i>These schedules contain information to help the reader assess the government's most significant local revenue sources, sales and property tax.</i>	
Debt Capacity	158
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	171
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	176
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports from the relevant year.

# CITY OF ROSENBERG, TEXAS

## NET POSITION BY COMPONENT

Last Ten Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
Governmental Activities				
Net investment in capital assets	\$ 37,219,927	\$ 39,982,793	\$ 45,031,276	\$ 44,536,858
Restricted	10,581,044	14,669,152	11,657,814	13,429,994
Unrestricted	14,761,496	15,078,116	10,601,523	9,022,275
<b>Total Governmental Activities Net Position</b>	<b>\$ 62,562,467</b>	<b>\$ 69,730,061</b>	<b>\$ 67,290,613</b>	<b>\$ 66,989,127</b>
Business-Type Activities				
Net investment in capital assets	\$ 43,565,861	\$ 44,504,314	\$ 50,564,934	\$ 56,850,394
Unrestricted	13,550,817	16,455,829	18,695,727	18,458,460
<b>Total Business-Type Activities Net Position</b>	<b>\$ 57,116,678</b>	<b>\$ 60,960,143</b>	<b>\$ 69,260,661</b>	<b>\$ 75,308,854</b>
Primary Government				
Net investment in capital assets	\$ 80,785,788	\$ 84,487,107	\$ 95,596,210	\$ 101,387,252
Restricted	10,581,044	14,669,152	11,657,814	13,429,994
Unrestricted	28,312,313	31,533,945	29,297,250	27,480,735
<b>Total Primary Government Net Position</b>	<b>\$ 119,679,145</b>	<b>\$ 130,690,204</b>	<b>\$ 136,551,274</b>	<b>\$ 142,297,981</b>

Note: \*Prior period adjustment for GASB 75.

\*\*Amounts reclassified to add back unspent bond proceeds previously not included in the net investment in capital assets calculation. A reclassification was also made for restricted capital project fund balance that was rolling into unrestricted net position at the government-wide level.

**Fiscal Year**

<u>2017</u>	<u>2018*</u>	<u>2019**</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 39,787,127	\$ 40,381,422	\$ 50,383,520	\$ 54,626,678	\$ 68,230,471	\$ 74,480,486
17,217,918	21,514,250	23,769,902	20,375,159	19,353,646	22,977,203
10,315,556	6,875,808	(3,291,936)	(2,925,417)	(2,190,405)	6,261,671
<u>\$ 67,320,601</u>	<u>\$ 68,771,480</u>	<u>\$ 70,861,486</u>	<u>\$ 72,076,420</u>	<u>\$ 85,393,712</u>	<u>\$ 103,719,360</u>
\$ 64,082,657	\$ 65,482,173	\$ 68,980,345	\$ 74,479,660	\$ 74,332,548	\$ 76,471,567
19,188,387	19,775,612	24,727,363	24,523,515	25,408,592	28,944,964
<u>\$ 83,271,044</u>	<u>\$ 85,257,785</u>	<u>\$ 93,707,708</u>	<u>\$ 99,003,175</u>	<u>\$ 99,741,140</u>	<u>\$ 105,416,531</u>
\$ 103,869,784	\$ 105,863,595	\$ 119,363,865	\$ 129,106,338	\$ 142,563,019	\$ 150,952,053
17,217,918	21,514,250	23,769,902	20,375,159	19,353,646	22,977,203
29,503,943	26,651,420	21,435,427	21,598,098	23,218,187	35,206,635
<u>\$ 150,591,645</u>	<u>\$ 154,029,265</u>	<u>\$ 164,569,194</u>	<u>\$ 171,079,595</u>	<u>\$ 185,134,852</u>	<u>\$ 209,135,891</u>

# CITY OF ROSENBERG, TEXAS

## CHANGES IN NET POSITION

Last Ten Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
<b>Expenses</b>				
Governmental Activities				
General government	\$ 4,208,848	\$ 3,995,452	\$ 4,504,358	\$ 5,350,906
Public safety	12,043,046	13,430,159	13,688,321	15,997,582
Public works	7,264,024	7,236,352	7,962,151	9,224,710
Community development	2,866,455	2,616,778	3,037,820	3,704,464
Interest on long-term debt	2,194,440	2,039,639	2,095,192	2,140,471
Debt issuance costs	-	128,148	65,849	85,470
<b>Total Governmental Activities Expenses</b>	<b>28,576,813</b>	<b>\$29,446,528</b>	<b>31,353,691</b>	<b>36,503,603</b>
Business-Type Activities				
Water and wastewater	7,236,812	7,163,452	7,862,720	9,445,663
Civic center rentals	-	391,242	403,256	294,626
<b>Total Business-Type Activities Expenses</b>	<b>7,236,812</b>	<b>7,554,694</b>	<b>8,265,976</b>	<b>9,740,289</b>
<b>Total Primary Government Expenses</b>	<b>\$ 35,813,625</b>	<b>\$ 37,001,222</b>	<b>\$ 39,619,667</b>	<b>\$ 46,243,892</b>
<b>Program Revenues</b>				
Governmental Activities				
Charges for services				
General government	\$ 2,707,405	\$ 2,702,399	\$ 2,794,675	\$ 2,767,182
Public safety	1,588,845	1,953,287	2,220,117	2,251,968
Public works	4,048,440	4,386,859	4,751,892	4,693,162
Community development	187,720	104,582	34,992	29,291
Operating grants and contributions	289,050	187,547	252,706	184,004
Capital grants and contributions	2,770,160	5,028,824	4,433,455	4,181,490
<b>Total Governmental Activities Program Revenues</b>	<b>11,591,620</b>	<b>14,363,498</b>	<b>14,487,837</b>	<b>14,107,097</b>
Business-Type Activities				
Charges for services				
Water	6,319,988	6,803,044	8,125,375	9,046,596
Wastewater	4,712,109	5,058,751	5,327,572	5,381,662
Civic center rentals	-	115,780	78,104	99,385
Operating grants and contributions	282,696	3,997	496,547	-
Capital grants and contributions	525,482	517,470	687,808	778,401
<b>Total Business-Type Activities Program Revenues</b>	<b>11,840,275</b>	<b>12,499,042</b>	<b>14,715,406</b>	<b>15,306,044</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 23,431,895</b>	<b>\$ 26,862,540</b>	<b>\$ 29,203,243</b>	<b>\$ 29,413,141</b>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (16,985,193)	\$ (15,083,030)	\$ (16,865,854)	\$ (22,396,506)
Business-type activities	4,603,463	4,944,348	6,449,430	5,565,755
<b>Total Primary Government Net Expense</b>	<b>\$ (12,381,730)</b>	<b>\$ (10,138,682)</b>	<b>\$ (10,416,424)</b>	<b>\$ (16,830,751)</b>

<b>Fiscal Year</b>						
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	
\$ 4,446,334	\$ 5,539,396	\$ 6,562,067	\$ 6,302,066	\$ 7,159,382	\$ 5,560,465	
17,405,764	17,388,136	21,781,177	19,633,193	18,991,208	19,120,777	
9,408,265	12,564,950	11,988,077	11,731,795	12,493,484	12,720,410	
3,885,492	3,093,782	3,878,243	3,992,827	3,697,149	3,537,282	
2,362,480	2,311,732	1,716,802	1,356,873	1,411,907	1,211,992	
-	-	-	-	-	-	
<u>37,508,335</u>	<u>40,897,996</u>	<u>45,926,366</u>	<u>43,016,754</u>	<u>43,753,130</u>	<u>42,150,926</u>	
10,386,479	10,898,020	13,586,594	13,614,540	14,056,202	14,718,206	
333,868	479,223	222,330	341,085	344,335	389,171	
<u>10,720,347</u>	<u>11,377,243</u>	<u>13,808,924</u>	<u>13,955,625</u>	<u>14,400,537</u>	<u>15,107,377</u>	
<u>\$ 48,228,682</u>	<u>\$ 52,275,239</u>	<u>\$ 59,735,290</u>	<u>\$ 56,972,379</u>	<u>\$ 58,153,667</u>	<u>\$ 57,258,303</u>	
\$ 2,902,041	\$ 2,923,858	\$ 2,859,478	\$ 2,837,695	\$ 3,190,350	\$ 3,336,356	
2,477,945	2,922,656	3,555,298	3,706,558	3,059,646	1,881,540	
4,977,523	5,333,801	5,778,800	6,129,357	8,050,346	8,984,274	
31,481	27,671	25,005	9,275	25,907	74,172	
693,220	1,042,181	742,504	1,366,547	996,929	355,086	
4,827,839	7,013,826	9,532,748	3,876,159	4,698,466	6,316,307	
<u>15,910,049</u>	<u>19,263,993</u>	<u>22,493,833</u>	<u>17,925,591</u>	<u>20,021,644</u>	<u>20,947,735</u>	
10,237,415	11,209,375	13,375,551	12,087,546	14,187,167	16,876,880	
5,296,433	5,309,921	5,177,370	5,173,638	6,042,403	6,683,063	
102,605	121,053	109,534	34,812	117,730	154,729	
155,589	6,788	1,336,750	462,325	494,882	94,024	
-	-	-	-	-	-	
<u>15,792,042</u>	<u>16,647,137</u>	<u>19,999,205</u>	<u>17,758,321</u>	<u>20,842,182</u>	<u>23,808,696</u>	
<u>\$ 31,702,091</u>	<u>\$ 35,911,130</u>	<u>\$ 42,493,038</u>	<u>\$ 35,683,912</u>	<u>\$ 40,863,826</u>	<u>\$ 44,756,431</u>	
\$ (21,598,286)	\$ (21,634,003)	\$ (23,432,533)	\$ (25,091,163)	\$ (23,731,486)	\$ (21,203,191)	
5,071,695	5,269,894	6,190,281	3,802,696	6,441,645	8,701,319	
<u>\$ (16,526,591)</u>	<u>\$ (16,364,109)</u>	<u>\$ (17,242,252)</u>	<u>\$ (21,288,467)</u>	<u>\$ (17,289,841)</u>	<u>\$ (12,501,872)</u>	

# CITY OF ROSENBERG, TEXAS

## CHANGES IN NET POSITION (Continued)

Last Ten Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes and fees				
Property tax	\$ 7,959,179	\$ 8,557,411	\$ 8,833,478	\$ 9,573,741
Sales tax	10,537,605	12,407,344	12,642,075	11,781,945
Hotel occupancy tax	590,488	676,143	744,371	642,742
Investment earnings	43,146	20,512	33,739	202,646
Gain on sale of capital assets	-	90,641	172,184	54,717
Other revenues	395,991	337,321	403,605	264,045
Transfers in (out)	(1,116,030)	1,107,446	(2,585,254)	(414,816)
<b>Total Governmental Activities</b>	<u>18,410,379</u>	<u>23,196,818</u>	<u>20,244,198</u>	<u>22,105,020</u>
Business-Type Activities				
Investment earnings	14,216	6,563	11,070	67,622
Transfers in (out)	1,116,030	(1,107,446)	2,595,254	414,816
<b>Total Business-Type Activities</b>	<u>1,130,246</u>	<u>(1,100,883)</u>	<u>2,606,324</u>	<u>482,438</u>
<b>Total Primary Government</b>	<u>19,540,625</u>	<u>22,095,935</u>	<u>22,850,522</u>	<u>22,587,458</u>
<b>Change in Net Position</b>				
Governmental activities	1,425,186	8,113,788	3,378,344	(291,486)
Business-type activities	5,733,709	3,843,465	9,055,754	6,048,193
<b>Total Primary Government</b>	<u>\$ 7,158,895</u>	<u>\$ 11,957,253</u>	<u>\$ 12,434,098</u>	<u>\$ 5,756,707</u>

**Fiscal Year**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 10,657,377	\$ 11,071,864	\$ 10,875,805	\$ 11,365,321	\$ 11,396,110	\$ 11,732,439
12,521,827	14,474,532	14,108,795	14,701,582	18,578,297	22,465,983
605,264	755,420	537,357	422,436	515,834	598,857
466,386	954,997	1,361,297	556,245	59,245	482,386
-	909,746	10,639	-	-	-
420,524	192,669	259,198	424,156	757,590	993,435
(2,741,618)	2,122,861	(1,630,552)	(1,163,643)	5,741,702	3,255,739
<u>21,929,760</u>	<u>30,482,089</u>	<u>25,522,539</u>	<u>26,306,097</u>	<u>37,048,778</u>	<u>39,528,839</u>
148,877	349,995	629,090	329,128	38,022	229,811
2,741,618	(2,122,861)	1,630,552	1,163,643	(5,741,702)	(3,255,739)
<u>2,890,495</u>	<u>(1,772,866)</u>	<u>2,259,642</u>	<u>1,492,771</u>	<u>(5,703,680)</u>	<u>(3,025,928)</u>
<u>24,820,255</u>	<u>28,709,223</u>	<u>27,782,181</u>	<u>27,798,868</u>	<u>31,345,098</u>	<u>36,502,911</u>
331,474	8,848,086	2,090,006	1,214,934	13,317,292	18,325,648
7,962,190	3,497,028	8,449,923	5,295,467	737,965	5,675,391
<u>\$ 8,293,664</u>	<u>\$ 12,345,114</u>	<u>\$ 10,539,929</u>	<u>\$ 6,510,401</u>	<u>\$ 14,055,257</u>	<u>\$ 24,001,039</u>

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

<u>Function</u>	<u>Fiscal Year</u>			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Property tax	\$ 7,959,179	\$ 8,557,411	\$ 8,833,478	\$ 9,573,741
Sales tax	10,537,605	12,407,344	12,642,075	11,781,945
Hotel occupancy tax	590,488	676,143	744,371	642,742
<b>Totals</b>	<u>\$ 19,087,272</u>	<u>\$ 21,640,898</u>	<u>\$ 22,219,924</u>	<u>\$ 21,998,428</u>

**Fiscal Year**

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$ 10,657,377	\$ 11,071,864	\$ 10,875,805	\$ 11,365,321	\$ 11,396,110	\$ 11,732,439
12,521,827	14,474,532	14,108,795	14,701,582	18,578,297	22,465,983
605,264	755,420	537,357	422,436	515,834	598,857
<u>\$ 23,784,468</u>	<u>\$ 26,301,816</u>	<u>\$ 25,521,957</u>	<u>\$ 26,489,339</u>	<u>\$ 30,490,241</u>	<u>\$ 34,797,279</u>

# CITY OF ROSENBERG, TEXAS

## *FUND BALANCES, GOVERNMENTAL FUNDS*

Last Ten Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 53,418	\$ 36,067	\$ 19,029	\$ 25,289
Assigned	500,982	1,104,350	-	-
Unassigned	7,834,098	11,894,623	15,450,057	15,670,160
<b>Total General Fund</b>	<b>\$ 8,388,498</b>	<b>\$ 13,035,040</b>	<b>\$ 15,469,086</b>	<b>\$ 15,695,449</b>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	23,197,272	28,526,910	25,129,068	26,495,326
Committed	-	-	-	-
Unassigned	(835)	-	-	-
<b>Total Other Governmental Funds</b>	<b>\$ 23,196,437</b>	<b>\$ 28,526,910</b>	<b>\$ 25,129,068</b>	<b>\$ 26,495,326</b>

**Fiscal Year**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 35,591	\$ 86,289	\$ 98,792	\$ 80,898	\$ 86,994	\$ 97,871
-	4,293,929	1,750,000	300,000	300,000	300,000
17,057,874	15,887,549	15,926,869	18,906,187	18,729,598	20,600,145
<u>\$ 17,093,465</u>	<u>\$ 20,267,767</u>	<u>\$ 17,775,661</u>	<u>\$ 19,287,085</u>	<u>\$ 19,116,592</u>	<u>\$ 20,998,016</u>
\$ 1,981	\$ 1,981	\$ 110	\$ 977	\$ 428	\$ 399
27,069,605	36,048,452	34,609,621	28,293,018	24,088,535	25,342,473
-	-	-	-	4,388,768	11,149,825
(98,147)	(154,614)	-	-	-	-
<u>\$ 26,973,439</u>	<u>\$ 35,895,819</u>	<u>\$ 34,609,731</u>	<u>\$ 28,293,995</u>	<u>\$ 28,477,731</u>	<u>\$ 36,492,697</u>

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

Last Ten Years  
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
<b>Revenues</b>				
Taxes	\$ 19,065,922	\$ 21,660,794	\$ 22,218,125	\$ 22,027,162
Franchise fees	1,780,202	1,851,747	1,898,719	1,924,699
Licenses and permits	613,391	771,303	822,193	748,694
Fines and forfeitures	657,690	573,433	612,230	559,799
Fees and charges for services	3,835,622	4,035,891	4,392,627	4,345,189
Intergovernmental	5,206,542	9,495,522	7,419,273	7,105,930
Investment earnings	39,527	19,061	31,637	189,633
Lease revenue	-	-	-	-
Other	536,217	450,829	505,433	304,601
<b>Total Revenues</b>	<u>31,735,113</u>	<u>38,858,580</u>	<u>37,900,237</u>	<u>37,205,707</u>
<b>Expenditures</b>				
General government	3,309,484	3,446,026	3,787,085	3,864,072
Public safety	11,126,683	12,519,502	12,958,143	14,226,773
Public works	4,407,271	4,511,391	5,059,614	5,590,942
Community development	2,528,271	2,283,655	2,772,737	3,303,417
Capital outlay	9,666,080	6,903,952	7,871,262	10,396,946
Debt service:				
Principal	6,152,414	4,906,639	4,916,983	5,236,922
Interest and fiscal charges	2,123,645	2,101,713	2,177,290	2,224,256
Debt issuance costs	237,886	128,148	65,849	85,470
<b>Total Expenditures</b>	<u>39,551,734</u>	<u>36,801,026</u>	<u>39,608,963</u>	<u>44,928,798</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(7,816,621)</u>	<u>2,057,554</u>	<u>(1,708,726)</u>	<u>(7,723,091)</u>
<b>Other Financing Sources (Uses)</b>				
Debt issuance	12,410,000	6,565,000	3,000,000	9,760,000
Refunding bonds issued	-	-	-	-
Premium on bonds	227,641	133,572	168,000	209,584
Insurance proceeds	19,666	41,362	6,730	21,355
Payments to refunding bond escrow agent	-	-	-	-
Proceeds on sale of capital assets	32,665	72,080	165,454	39,589
Transfers in	5,179,079	5,200,179	7,024,867	5,858,844
Transfers out	(6,295,109)	(4,092,732)	(9,620,121)	(6,573,660)
<b>Total Other Financing Sources (Uses)</b>	<u>11,573,942</u>	<u>7,919,461</u>	<u>744,930</u>	<u>9,315,712</u>
<b>Net Change in Fund Balances</b>	<u>\$ 3,757,321</u>	<u>\$ 9,977,015</u>	<u>\$ (963,796)</u>	<u>\$ 1,592,621</u>
Debt service as a percentage of noncapital expenditures	27.2%	22.9%	21.9%	20.2%

**Fiscal Year**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$	23,781,562	\$ 26,246,047	\$ 25,529,183	\$ 26,443,259	\$ 30,608,454	\$ 34,787,306
	1,963,484	1,967,554	1,997,165	1,929,747	2,079,378	2,258,659
	753,493	692,388	832,679	1,061,522	1,080,977	1,330,138
	663,834	675,460	587,367	613,292	813,590	835,251
	4,616,700	5,085,045	5,424,756	5,586,027	7,498,177	8,189,522
	3,930,169	10,699,195	17,397,749	8,800,747	8,468,826	8,317,279
	437,116	895,364	1,247,237	556,245	59,245	437,237
	-	-	-	-	-	16,887
	698,751	454,921	857,088	369,445	757,590	993,434
	<u>36,845,109</u>	<u>46,715,974</u>	<u>53,873,224</u>	<u>45,360,284</u>	<u>51,366,237</u>	<u>57,165,713</u>
	3,787,501	5,030,650	5,724,217	5,333,610	6,924,283	5,413,343
	15,323,946	15,776,535	17,373,943	18,789,715	18,360,549	18,416,333
	5,894,608	7,130,734	7,361,297	7,507,476	8,176,742	8,757,693
	3,413,792	2,374,504	2,445,485	2,753,123	2,678,006	3,064,819
	5,815,083	8,850,948	12,763,002	6,261,661	9,438,100	6,104,275
	5,660,000	10,262,726	8,260,000	6,535,000	8,910,000	7,665,000
	2,246,523	2,170,996	2,100,491	1,720,517	1,607,016	1,387,410
	239,118	306,478	-	126,464	-	-
	<u>42,380,571</u>	<u>51,903,571</u>	<u>56,028,435</u>	<u>49,027,566</u>	<u>56,094,696</u>	<u>50,808,873</u>
	<u>(5,535,462)</u>	<u>(5,187,597)</u>	<u>(2,155,211)</u>	<u>(3,667,282)</u>	<u>(4,728,459)</u>	<u>6,356,840</u>
	9,825,000	9,320,000	-	-	-	-
	7,390,000	4,950,000	-	7,075,000	-	-
	687,315	551,465	-	827,640	-	-
	19,900	22,215	34,430	54,711	-	-
	(7,841,447)	-	-	(7,930,738)	-	-
	114,505	983,338	10,639	-	-	-
	6,926,714	7,065,926	11,163,252	8,115,582	16,610,459	16,920,186
	<u>(9,710,396)</u>	<u>(5,608,665)</u>	<u>(12,831,304)</u>	<u>(9,279,225)</u>	<u>(11,868,757)</u>	<u>(13,380,636)</u>
	<u>7,411,591</u>	<u>17,284,279</u>	<u>(1,622,983)</u>	<u>(1,137,030)</u>	<u>4,741,702</u>	<u>3,539,550</u>
\$	<u>1,876,129</u>	<u>\$ 12,096,682</u>	<u>\$ (3,778,194)</u>	<u>\$ (4,804,312)</u>	<u>\$ 13,243</u>	<u>\$ 9,896,390</u>
	20.2%	26.7%	23.2%	19.0%	22.4%	19.8%

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

	<b>Fiscal Year</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Property tax	\$ 7,937,829	\$ 8,577,307	\$ 8,831,679	\$ 9,602,475
Sales tax	10,537,605	12,407,344	12,642,075	11,781,945
Hotel occupancy tax	590,488	676,143	744,371	642,742
<b>Totals</b>	<b>\$ 19,065,922</b>	<b>\$ 21,660,794</b>	<b>\$ 22,218,125</b>	<b>\$ 22,027,162</b>

**Fiscal Year**

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$ 10,654,471	\$ 11,016,095	\$ 10,883,031	\$ 11,319,241	\$ 11,514,323	\$ 11,722,466
12,521,827	13,635,372	14,108,795	14,701,582	18,578,297	22,465,983
605,264	755,420	537,357	422,436	515,834	598,857
<u>\$ 23,781,562</u>	<u>\$ 25,406,887</u>	<u>\$ 25,529,183</u>	<u>\$ 26,443,259</u>	<u>\$ 30,608,454</u>	<u>\$ 34,787,306</u>

# CITY OF ROSENBERG, TEXAS

## TAXABLE SALES BY CATEGORY

Last Ten Years

	Fiscal Year			
	2013	2014	2015	2016
Manufacturing	\$ 34,755,374	\$ 71,023,948	\$ 44,265,651	\$ 15,128,366
Construction	5,478,498	5,699,322	6,761,025	5,002,267
Mining/Oil and Gas Extraction	217,256	698,165	661,261	292,920
Wholesale Trade	14,399,273	24,760,219	29,725,965	22,074,684
Retail Trade	439,367,655	475,049,147	499,317,990	459,438,625
Information	12,557,755	16,434,007	18,819,964	19,509,936
Finance/Insurance	1,552,677	1,582,285	1,662,748	1,656,975
Real Estate/Rental/Leasing	3,511,362	2,813,209	3,175,468	3,283,675
Professional/Scientific/Technical	1,837,041	2,055,795	2,225,002	2,346,951
Administration/Waste Management	5,258,948	5,149,744	7,761,946	11,318,786
Entertainment/Recreation	16,075	22,415	347,356	1,869,409
Accommodation/Food Service	88,682,555	95,710,727	104,003,993	107,277,110
Other Services	8,477,137	9,342,029	10,499,800	11,417,087
Other	-	-	-	-
<b>Totals</b>	<u>\$ 616,111,606</u>	<u>\$ 710,341,012</u>	<u>\$ 729,228,169</u>	<u>\$ 660,616,791</u>
City Direct Sales Tax Rate	0.0125%	0.0125%	0.0125%	0.0125%

Source: Texas Comptroller of Public Accounts

\* Represents the first three quarters of the 2022 fiscal year. The fourth quarter is not currently available.

<b>Fiscal Year</b>						
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022 *</b>	
\$ 21,052,228	\$ 43,420,104	\$ 28,469,626	\$ 30,892,103	\$ 37,765,330	\$ 16,456,695	
5,662,186	7,465,976	7,031,676	8,894,735	6,239,881	5,422,933	
443,889	3,020,459	1,158,820	1,070,495	370,975	111,093	
130,446,207	233,498,069	245,773,076	255,967,179	317,960,533	314,642,720	
388,297,566	391,644,609	373,129,042	385,749,354	329,923,128	234,619,988	
18,338,120	19,587,627	19,132,131	14,139,158	12,329,022	5,875,192	
1,661,182	1,686,975	1,506,495	1,781,072	1,197,424	978,751	
3,787,231	3,512,415	3,758,665	5,079,619	3,512,348	4,196,003	
2,346,951	2,503,002	2,363,759	2,660,549	2,970,547	2,918,851	
13,902,188	17,984,064	20,599,942	28,322,633	24,989,672	17,472,542	
3,214,948	5,055,283	5,233,748	3,271,645	2,413,949	2,361,252	
111,620,479	119,503,935	121,340,113	116,864,759	101,913,564	74,244,447	
13,201,471	14,263,882	13,902,554	13,407,230	11,503,906	8,785,250	
1,200	-	-	-	-	-	
<u>\$ 713,975,846</u>	<u>\$ 863,146,400</u>	<u>\$ 843,399,647</u>	<u>\$ 868,100,531</u>	<u>\$ 853,090,279</u>	<u>\$ 688,085,717</u>	
0.0125%	0.0125%	0.0125%	0.0125%	0.0125%	0.0125%	

**CITY OF ROSENBERG, TEXAS**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Years**

	Fiscal Year			
	2013	2014	2015	2016
Residential Property	\$ 679,387,315	\$ 749,359,856	\$ 792,288,805	\$ 909,775,642
Commercial Property	957,903,509	1,004,574,850	1,048,609,929	1,059,601,822
Personal Property	247,958,051	280,163,875	288,757,261	301,546,216
<b>Less: Tax Exempt Property</b>	<u>(341,872,159)</u>	<u>(342,400,025)</u>	<u>(345,917,083)</u>	<u>(337,543,351)</u>
<b>Total Taxable Assessed Value (1)</b>	<u>\$ 1,543,376,716</u>	<u>\$ 1,691,698,556</u>	<u>\$ 1,783,738,912</u>	<u>\$ 1,933,380,329</u>
<b>Total Direct Tax Rate</b>	\$ 0.51000	\$ 0.50000	\$ 0.49000	\$ 0.47000

Source: Tax assessor/collector's records.

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

<b>Fiscal Year</b>					
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 1,026,346,467	\$ 1,165,054,442	\$ 1,299,128,613	\$ 1,408,588,051	\$ 1,494,231,940	\$ 1,651,616,625
1,331,364,289	1,362,148,541	1,382,895,685	1,453,067,836	1,665,885,439	1,901,878,240
288,805,245	348,221,145	390,188,821	411,559,420	403,140,153	474,962,330
<u>(447,394,435)</u>	<u>(530,701,399)</u>	<u>(571,037,012)</u>	<u>(615,374,870)</u>	<u>(749,208,279)</u>	<u>(877,466,502)</u>
<u>\$ 2,199,121,566</u>	<u>\$ 2,344,722,729</u>	<u>\$ 2,501,176,107</u>	<u>\$ 2,657,840,437</u>	<u>\$ 2,814,049,253</u>	<u>\$ 3,150,990,693</u>
\$ 0.47000	\$ 0.46200	\$ 0.43000	\$ 0.41500	\$ 0.40000	\$ 0.38000

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

<u>Tax Rates*</u>		<u>City Direct Rates</u>			<u>Overlapping Rates<sup>(1)</sup></u>		<u>Total City</u>
<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Operating Tax Rate</u>	<u>Debt Service Rate</u>	<u>Total Tax Rate</u>	<u>Lamar CISD</u>	<u>Fort Bend County</u>	<u>Not In MUD Total Overlapping Rate</u>
2013	2012	\$ 0.26000	\$ 0.25000	\$ 0.51000	\$ 1.39005	\$ 0.49976	\$ 2.39981
2014	2013	\$ 0.26630	\$ 0.23370	\$ 0.50000	\$ 1.39005	\$ 0.49976	\$ 2.38981
2015	2014	\$ 0.25858	\$ 0.23142	\$ 0.49000	\$ 1.39005	\$ 0.49476	\$ 2.37481
2016	2015	\$ 0.21626	\$ 0.25374	\$ 0.47000	\$ 1.39005	\$ 0.48600	\$ 2.34605
2017	2016	\$ 0.21434	\$ 0.25566	\$ 0.47000	\$ 1.39005	\$ 0.47400	\$ 2.33405
2018	2017	\$ 0.27464	\$ 0.18736	\$ 0.46200	\$ 1.39005	\$ 0.46900	\$ 2.32105
2019	2018	\$ 0.26909	\$ 0.16092	\$ 0.43000	\$ 1.39000	\$ 0.46400	\$ 2.28400
2020	2019	\$ 0.25411	\$ 0.16089	\$ 0.41500	\$ 1.32000	\$ 0.46000	\$ 2.19500
2021	2020	\$ 0.26570	\$ 0.13430	\$ 0.40000	\$ 1.26910	\$ 0.45321	\$ 2.12231
2022	2021	\$ 0.22983	\$ 0.15017	\$ 0.38000	\$ 1.24200	\$ 0.45280	\$ 2.07480

Source: Tax Department records of the various taxing authorities.

\* Per \$100 of assessed valuation

- (1) Overlapping rates are those of local and county governments that apply within the City of Rosenberg. Not all overlapping rates apply to all City of Rosenberg property owners (i.e., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographical boundaries of the special district).

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

<b>Fort Bend MUD #94</b>		<b>Fort Bend MUD #144</b>		<b>Fort Bend MUD #147</b>		<b>Fort Bend MUD #148</b>	
<b>MUD Rate</b>	<b>Overlapping Rate</b>	<b>MUD Rate</b>	<b>Overlapping Rate</b>	<b>MUD Rate</b>	<b>Overlapping Rate</b>	<b>MUD Rate</b>	<b>Overlapping Rate</b>
\$0.77000	\$ 3.16981	\$0.80000	\$ 3.19981	\$0.95000	\$ 3.34981	\$ 0.90000	\$ 3.29981
\$0.71000	\$ 3.09981	\$0.80000	\$ 3.18981	\$0.95000	\$ 3.33981	\$ 0.90000	\$ 3.28981
\$0.66000	\$ 3.03481	\$0.80000	\$ 3.17481	\$0.95000	\$ 3.32481	\$ 0.90000	\$ 3.27481
\$0.58000	\$ 2.92605	\$0.80000	\$ 3.14605	\$0.95000	\$ 3.29605	\$ 0.88000	\$ 3.22605
\$0.50000	\$ 2.83405	\$0.80000	\$ 3.13405	\$0.95000	\$ 3.28405	\$ 0.83000	\$ 3.16405
\$0.47000	\$ 2.79105	\$0.80000	\$ 3.12105	\$0.95000	\$ 3.27105	\$ 0.76000	\$ 3.08105
\$0.44000	\$ 2.72400	\$0.79000	\$ 3.07400	\$0.95000	\$ 3.23400	\$ 0.66000	\$ 2.94400
\$0.43000	\$ 2.62500	\$0.79000	\$ 2.98500	\$0.95000	\$ 3.14500	\$ 0.66000	\$ 2.85500
\$0.42265	\$ 2.54496	\$0.79000	\$ 2.91231	\$0.95000	\$ 3.07231	\$ 0.63000	\$ 2.75231
\$0.41426	\$ 2.48906	\$0.77000	\$ 2.84480	\$0.95000	\$ 3.02480	\$ 0.60000	\$ 2.67480

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

<b>Tax Rates*</b>		<b>Fort Bend MUD #159</b>		<b>Fort Bend MUD #167</b>		<b>Fort Bend MUD #233</b>	
<b>Fiscal Year</b>	<b>Tax Year</b>	<b>MUD Rate</b>	<b>Overlapping Rate</b>	<b>MUD Rate</b>	<b>Overlapping Rate</b>	<b>MUD Rate</b>	<b>Overlapping Rate</b>
2013	2012	\$ 0.84000	\$ 3.23981	\$0.89000	\$ 3.28981	N/A	N/A
2014	2013	\$ 0.84000	\$ 3.22981	\$0.89000	\$ 3.27981	N/A	N/A
2015	2014	\$ 0.78000	\$ 3.15481	\$0.89000	\$ 3.26481	N/A	N/A
2016	2015	\$ 0.72000	\$ 3.06605	\$0.85000	\$ 3.19605	N/A	N/A
2017	2016	\$ 0.72000	\$ 3.05405	\$0.85000	\$ 3.18405	N/A	N/A
2018	2017	\$ 0.72000	\$ 3.04105	\$0.85000	\$ 3.17105	N/A	N/A
2019	2018	\$ 0.72000	\$ 3.00400	\$0.85000	\$ 3.13400	N/A	N/A
2020	2019	\$ 0.72000	\$ 2.91500	\$0.82000	\$ 3.01500	N/A	N/A
2021	2020	\$ 0.71000	\$ 2.83231	\$0.75000	\$ 2.87231	\$ 0.90000	\$ 3.02231
2022	2021	\$ 0.70000	\$ 2.77480	\$0.64000	\$ 2.71480	\$ 0.90000	\$ 2.97480

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# CITY OF ROSENBERG, TEXAS

## PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	Fiscal Year					
	2022			2013		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
Brazos TC - Partnership A, LP	\$ 77,043,812	1	2.45%	\$ 66,381,630	1	4.30%
Brazos TC - South Partnership A, LP	49,487,240	2	1.57%	21,494,280	2	1.39%
Aldi (Texas) LLC	48,035,401	3	1.52%	-	-	- %
Dollar Tree Distribution Inc	40,012,620	4	1.27%	-	-	- %
Dolce Rosenberg Master LLC	36,150,000	5	1.15%	-	-	- %
Continental 453 Fund LLC	34,985,800	6	1.11%	-	-	- %
RH Town Center LLC	34,835,800	7	1.11%	-	-	- %
GSSW Brazos Ranch LLC	31,500,000	8	1.00%	-	-	- %
Centerpoint Energy Electric	23,674,250	9	0.75%	12,549,570	7	0.81%
Gulf South Pipeline Co LP	20,066,270	10	0.64%	-	-	- %
Inland American Rosenberg Brazos	-	-	- %	19,975,000	3	1.29%
A-S 92 Hwy 59 Reading Rd LP	-	-	- %	18,817,220	4	1.22%
Kroger Texas LP	-	-	- %	17,371,840	5	1.13%
National Oilwell Downhole Tools	-	-	- %	16,814,180	6	1.09%
Seatex LTD	-	-	- %	11,539,070	8	0.75%
Target Corporation	-	-	- %	10,504,580	9	0.68%
Alcurt Rosenberg	-	-	- %	10,000,000	10	0.65%
Subtotal	395,791,193		12.56%	205,447,370		13.31%
Other Taxpayers	2,755,199,500		87.44%	1,337,929,346		86.69%
<b>Total</b>	\$ 3,150,990,693		100.00%	\$ 1,543,376,716		100.00%

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

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

	<b>Fiscal Year</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Tax levy	\$ 7,881,653	\$ 8,491,306	\$ 8,960,577	\$ 9,533,916
Current tax collected	7,794,028	8,387,692	8,848,290	9,452,428
Percentage of current tax collections	98.89%	98.78%	98.75%	99.15%
Delinquent tax collections	<u>82,204</u>	<u>96,834</u>	<u>105,522</u>	<u>74,987</u>
Total tax collections	<u>\$ 7,876,232</u>	<u>\$ 8,484,526</u>	<u>\$ 8,953,812</u>	<u>\$ 9,527,415</u>
Total collections as a percentage of current levy	99.93%	99.92%	99.92%	99.93%
Outstanding delinquent taxes	<u>\$ 5,421</u>	<u>\$ 6,780</u>	<u>\$ 6,765</u>	<u>\$ 6,501</u>

Source: Tax assessor/collector's records.

<b>Fiscal Year</b>					
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$ 10,596,958	\$ 11,001,414	\$ 10,817,545	\$ 11,067,047	\$ 11,423,694	\$ 11,629,819
10,499,723	10,853,779	10,690,573	10,987,474	11,344,205	11,561,843
99.08%	98.66%	98.83%	99.28%	99.30%	99.42%
83,536	130,048	101,249	54,901	52,598	-
<u>\$ 10,583,259</u>	<u>\$ 10,983,827</u>	<u>\$ 10,791,822</u>	<u>\$ 11,042,375</u>	<u>\$ 11,396,802</u>	<u>\$ 11,561,843</u>
99.87%	99.82%	99.76%	99.68%	99.76%	99.42%
<u>\$ 13,699</u>	<u>\$ 17,587</u>	<u>\$ 25,723</u>	<u>\$ 24,672</u>	<u>\$ 26,892</u>	<u>\$ 67,976</u>

# CITY OF ROSENBERG, TEXAS

## RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	Fiscal Year			
	2013	2014	2015	2016
<b>Primary Government</b>				
<b>Governmental Activities:</b>				
General obligation bonds	\$ 16,360,000	\$ 15,860,000	\$ 13,975,000	\$ 12,050,000
Certificates of obligation	45,745,000	48,380,000	48,660,000	55,265,000
Notes payable	462,595	305,956	156,922	-
Tax anticipation notes	480,000	160,000	-	-
Leases payable	-	-	-	-
Bond issuance premiums	758,689	830,550	921,760	1,054,554
	63,806,284	65,536,506	63,713,682	68,369,554
<b>Business-Type Activities:</b>				
Revenue bonds	334,000	314,000	294,000	273,000
Capital finance agreements	1,470,997	1,421,834	1,343,434	1,819,225
Notes payable	3,529,016	2,976,029	2,406,433	1,251,607
<b>Total Business-Type Activities</b>	5,334,013	4,711,863	4,043,867	3,343,832
<b>Total Primary Government</b>	\$ 69,140,297	\$ 70,248,369	\$ 67,757,549	\$ 71,713,386
<b>Personal Income</b>	\$ 649,097,960	\$ 664,145,547	\$ 785,369,376	\$ 791,108,406
<b>Debt as a Percentage of Personal Income</b>	9.52%	9.76%	9.79%	9.06%
<b>Population</b>	33,070	34,127	34,896	35,151
<b>Debt Per Capita</b>	\$ 2,091	\$ 2,058	\$ 1,942	\$ 2,040

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

\*\*Implementation of GASB 87 for leases

<b>Fiscal Year</b>					
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021**</b>	<b>2022**</b>
\$ 15,460,000	\$ 18,725,000	\$ 14,825,000	\$ 17,725,000	\$ 15,970,000	\$ 14,150,000
55,595,000	56,425,000	52,060,000	41,915,000	34,760,000	28,915,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	201,428	144,177
1,613,624	1,999,347	1,636,091	1,973,162	1,789,143	1,605,124
<u>72,668,624</u>	<u>77,149,347</u>	<u>68,521,091</u>	<u>61,613,162</u>	<u>52,720,571</u>	<u>44,814,301</u>
252,000	231,000	210,000	189,000	164,000	147,000
1,215,771	1,051,607	944,544	706,988	262,902	-
1,154,959	594,009	-	-	-	-
<u>2,622,730</u>	<u>1,876,616</u>	<u>1,154,544</u>	<u>895,988</u>	<u>426,902</u>	<u>147,000</u>
<u>\$ 75,291,354</u>	<u>\$ 79,025,963</u>	<u>\$ 69,675,635</u>	<u>\$ 62,509,150</u>	<u>\$ 53,147,473</u>	<u>\$ 44,961,301</u>
\$ 809,855,904	\$ 827,095,500	\$ 884,064,540	\$ 914,403,852	\$ 978,024,450	\$ 1,059,503,864
7.95%	9.55%	7.88%	6.84%	5.43%	4.24%
35,984	36,750	37,516	38,282	40,001	41,528
\$ 2,092	\$ 2,150	\$ 1,857	\$ 1,633	\$ 1,329	\$ 1,083

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

	Fiscal Year			
	2013	2014	2015	2016
<b>Net Taxable Assessed Value</b>				
All property	\$ 1,543,376,716	\$ 1,691,698,556	\$ 1,783,738,912	\$ 1,933,380,329
<b>Net Bonded Debt</b>				
General obligation bonds	\$ 16,360,000	\$ 15,860,000	\$ 13,975,000	\$ 12,050,000
Certificates of obligation	45,745,000	48,380,000	48,660,000	55,265,000
Bond issuance premiums	758,689	830,550	921,760	1,054,554
Less debt service funds	4,990,181	4,976,742	5,014,535	5,028,226
<b>Total General Bonded Debt</b>	<u>\$ 57,873,508</u>	<u>\$ 60,093,808</u>	<u>\$ 58,542,225</u>	<u>\$ 63,341,328</u>
<b>Percentage of Actual Taxable Value of Property</b>	3.75%	3.55%	3.28%	3.28%
<b>Population</b>	33,070	34,127	34,896	35,151
<b>Per Capita</b>	\$ 1,750	\$ 1,761	\$ 1,678	\$ 1,802

<b>Fiscal Year</b>					
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$ 2,199,121,566	\$ 2,344,722,729	\$ 2,501,176,107	\$ 2,657,840,437	\$ 2,814,049,253	\$ 3,150,990,693
\$ 15,460,000	\$ 18,725,000	\$ 14,825,000	\$ 17,725,000	\$ 15,970,000	\$ 14,150,000
55,595,000	56,425,000	52,060,000	41,915,000	34,760,000	28,915,000
1,613,624	1,999,347	1,636,091	1,973,162	1,789,143	1,605,124
5,681,677	5,900,145	5,839,495	5,856,535	5,077,025	4,882,720
<u>\$ 66,986,947</u>	<u>\$ 71,249,202</u>	<u>\$ 62,681,596</u>	<u>\$ 55,756,627</u>	<u>\$ 47,442,118</u>	<u>\$ 39,787,404</u>
3.05%	3.04%	2.51%	2.10%	1.69%	1.26%
35,984	36,750	37,516	38,282	40,001	41,528
\$ 1,862	\$ 1,939	\$ 1,671	\$ 1,456	\$ 1,186	\$ 958

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**CITY OF ROSENBERG, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
September 30, 2022

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Estimated Share of Direct and Overlapping Debt</u>
Fort Bend County	\$ 839,325,542	3.33%	\$ 27,949,541
Fort Bend County Drainage District	\$ 24,530,000	3.33%	816,849
Fort Bend MUD No. 94	\$ 3,225,000	100.00%	3,225,000
Fort Bend MUD No. 144	\$ 34,360,000	100.00%	34,360,000
Fort Bend MUD No. 147	\$ 10,530,000	100.00%	10,530,000
Fort Bend MUD No. 148	\$ 5,330,000	100.00%	5,330,000
Fort Bend MUD No. 152	\$ 29,435,000	0.42%	123,627
Fort Bend MUD No. 159	\$ 4,125,000	100.00%	4,125,000
Fort Bend MUD No. 167	\$ 25,400,000	100.00%	25,400,000
Fort Bend MUD No. 225	\$ 4,900,000	100.00%	4,900,000
Fort Bend MUD No. 233	\$ 4,205,000	100.00%	4,205,000
Lamar Consolidated Independent School District	\$ 1,705,940,000	14.80%	252,479,120
<b>Total Overlapping Rates</b>			<u>373,444,137</u>
<b>City Direct Debt</b>			<u>44,961,301</u>
<b>Total Direct and Overlapping Rates (1)</b>			<u><u>\$ 418,405,438</u></u>

Source: Hilltop Securities

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

- (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable assessed value that is within the City's boundaries and dividing it by the overlapping government's total taxable assessed value.

# CITY OF ROSENBERG, TEXAS

## LEGAL DEBT MARGIN INFORMATION

Last Ten Years

	Fiscal Year			
	2013	2014	2015	2016
Debt limit	\$ 166,597,038	\$ 181,299,013	\$ 189,615,990	\$ 203,925,239
Total net debt applicable to limit	57,594,819	59,737,258	58,858,229	62,286,774
Legal debt margin	\$ 109,002,219	\$ 121,561,755	\$ 130,757,761	\$ 141,638,465
Total net debt applicable to the limit as a percentage of debt limit	34.57%	32.95%	31.04%	30.54%
Legal debt margin calculation by fiscal year				
Assessed value	\$ 1,665,970,375	\$ 1,812,990,131	\$ 1,896,159,898	\$ 2,039,252,388
Debt limit (10% of assessed value)	166,597,038	181,299,013	189,615,990	203,925,239
Debt applicable to limit:				
General obligation bonds	56,115,000	64,714,000	63,850,760	67,315,000
Less: amount set aside for obligation debt	(4,990,181)	(4,976,742)	(5,014,535)	(5,028,226)
Total net debt applicable to limit	51,124,819	59,737,258	58,836,225	62,286,774
Legal debt margin	\$ 115,472,219	\$ 121,561,755	\$ 130,779,765	\$ 141,638,465

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

**Fiscal Year**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 219,912,157	\$ 234,472,273	\$ 250,117,611	\$ 265,784,044	\$ 281,404,925	\$ 315,099,069
<u>65,562,263</u>	<u>60,984,855</u>	<u>61,045,505</u>	<u>53,783,465</u>	<u>45,820,975</u>	<u>38,329,280</u>
<u>\$ 154,349,894</u>	<u>\$ 173,487,418</u>	<u>\$ 189,072,106</u>	<u>\$ 212,000,579</u>	<u>\$ 235,583,951</u>	<u>\$ 276,769,789</u>
29.81%	26.01%	24.41%	20.24%	16.28%	12.16%
\$ 2,199,121,566	\$ 2,344,722,729	\$ 2,501,176,107	\$ 2,657,840,437	\$ 2,814,049,253	\$ 3,150,990,693
219,912,157	234,472,273	250,117,611	265,784,044	281,404,925	315,099,069
75,150,000	66,885,000	66,885,000	59,640,000	50,898,000	43,212,000
<u>(5,681,677)</u>	<u>(5,900,145)</u>	<u>(5,839,495)</u>	<u>(5,856,535)</u>	<u>(5,077,025)</u>	<u>(4,882,720)</u>
<u>69,468,323</u>	<u>60,984,855</u>	<u>61,045,505</u>	<u>53,783,465</u>	<u>45,820,975</u>	<u>38,329,280</u>
<u>\$ 150,443,834</u>	<u>\$ 173,487,418</u>	<u>\$ 189,072,106</u>	<u>\$ 212,000,579</u>	<u>\$ 235,583,951</u>	<u>\$ 276,769,789</u>

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**CITY OF ROSENBERG, TEXAS**  
**DEBT SERVICE FUND PROJECTIONS FOR FISCAL YEAR 2023**  
September 30, 2022

Tax Obligation Debt Service Requirements for fiscal year 2023		\$ 6,635,404
Debt Service Fund, September 30, 2022	\$ 4,882,720	
Debt Service Fund Tax Levy at 99% Collection	6,611,451	
Estimated Prior Year Delinquent Taxes	19,500	
Estimated Transfer from Rosenberg Development Corporation	190,098	
Estimated Investment Income	3,000	11,706,769
Estimated Debt Service Fund Balance, September 30, 2023	3,000	\$ 5,071,365
General Obligation and/or Revenue Bonds		
Authorized but Unissued for 2022	None	
Floating Debt Outstanding for 2022	None	

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**CITY OF ROSENBERG, TEXAS**  
**COMPUTATION OF SELF SUPPORTING DEBT**  
September 30, 2022

**Waterworks and Wastewater System**

Net system revenue available at September 30, 2022	\$ 4,354,010
Less: 2023 requirements for revenue bonds	21,000
Balance available for other purposes	<u>\$ 4,333,010</u>
Debt service coverage ratio	100.00
2023 requirements for system tax or general obligation bonds (1)	\$ -
Percentage of system general obligation bonds self-supporting	100%

**Rosenberg Development Corporation**

Net system revenue available at September 30, 2022	\$ 7,281,650
Less: 2023 requirements for revenue bonds	-
Balance available for other purposes	<u>\$ 7,281,650</u>
2023 requirements for general obligation bonds paid by the Corporation (1)	<u>\$ 190,098</u>
Percentage of system general obligation bonds self-supporting	100%

(1) It is the City's current policy to provide these payments from respective system revenues; however, these revenues are not pledged to the payment of this debt. The City's policy to make debt service payments from these revenues is subject to change in the future.

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# CITY OF ROSENBERG, TEXAS

## DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Calendar Years

<b>Fiscal Year Ended</b>	<b>Population (1)</b>	<b>Personal Income</b>	<b>Per Capita Personal Income (2)</b>	<b>Median Age (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate</b>
2013	33,070	\$ 649,097,960	\$ 19,628	31.5	27,186	6.2%
2014	34,127	\$ 664,145,547	\$ 19,461	30.0	28,482	4.4%
2015	34,896	\$ 785,369,376	\$ 22,506	32.0	29,786	4.1%
2016	35,151	\$ 791,108,406	\$ 22,506	32.0	30,891	5.0%
2017	35,984	\$ 809,855,904	\$ 22,506	32.0	32,391	4.0%
2018	36,750	\$ 827,095,500	\$ 22,506	32.0	33,641	3.9%
2019	37,516	\$ 884,064,540	\$ 23,565	32.0	35,391	3.4%
2020	38,282	\$ 914,403,852	\$ 23,886	33.8	36,820	7.2%
2021	40,001	\$ 978,024,450	\$ 24,450	33.6	39,171	5.9%
2022	41,528	\$ 1,059,503,864	\$ 25,513	30.4	42,876	3.9%

Sources:

- 1) Internal City estimates
- 2) Bureau of the Census/ESRI Profile
- 3) Lamar Consolidated Independent School District

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# CITY OF ROSENBERG, TEXAS

## PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2022			2013		
	Employees	Rank	Total City Employment (%)	Employees	Rank	Total City Employment (%)
Lamar Consolidated Independent School District	5,283	1	25.99%	4,265	1	20.34%
Texana Center	812	2	3.99%	566	2	3.91%
Frito Lay, Inc.	750	3	3.69%	469	3	3.31%
Fort Bend County Offices - Annex	596	4	2.93%	159	9	1.00%
Dollar Tree	560	5	2.75%	-	-	-
City of Rosenberg	296	6	1.46%	235	5	1.59%
Kroger	285	7	1.40%	240	4	1.62%
Benedittini Cabinetry	267	8	1.31%	230	6	1.57%
Si Environmental	260	9	1.28%	-	-	-
Biotics Research Corporation	190	10	0.93%	164	8	1.06%
Allied Concrete	-	-	-	222	7	1.16%
Southwestern Bell/AT&T	-	-	-	142	10	0.98%
<b>Total</b>	<u>9,299</u>		<u>45.74%</u>	<u>6,692</u>		<u>36.54%</u>

Source: City of Rosenberg Economic Development

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

	Fiscal Year			
	2013	2014	2015	2016
General Government	30	30	33	33
<u>Public Safety:</u>				
Police	68	74	75	76
Civilians	23	22	25	28
Animal Control	2	3	3	3
<u>Fire</u>				
Firefighters	37	49	52	52
Civilians	2	2	2	2
<u>Public Works</u>				
Streets and Drainage	16	16	18	18
Building Maintenance	-	-	-	-
Fleet Maintenance	4	4	4	5
<u>Community Development</u>				
Planning	3	3	4	5
Code Enforcement	7	8	8	8
Health	1	1	2	2
Communications	1	1	3	-
Parks and Recreation	10	11	10	10
Hotel and Motel	2	-	-	1
Civic Center	3	5	5	4
Water and Wastewater	25	25	27	27
<b>Total</b>	<b>234</b>	<b>255</b>	<b>270</b>	<b>275</b>

Source: City personnel records

Fiscal Year					
2017	2018	2019	2020	2021	2022
34	34	34	34	34	36
82	82	88	90	75	78
28	28	28	28	25	25
4	4	5	5	5	5
52	53	59	59	59	59
2	2	2	2	2	2
19	19	19	19	19	20
2	2	2	2	2	2
5	5	5	5	5	5
5	5	5	5	5	5
8	9	9	11	11	12
2	2	2	2	2	2
-	-	-	-	-	-
9	9	9	9	8	8
1	1	1	1	1	1
3	3	3	3	3	3
27	28	29	29	29	32
283	287	301	305	286	295

# CITY OF ROSENBERG, TEXAS

## OPERATING INDICATORS BY FUNCTION

Last Ten Years

	Fiscal Year			
	2013	2014	2015	2016
<b>Function/Program</b>				
<b>Police</b>				
Arrests	2,654	2,819	2,875	2,616
Accident reports	629	767	890	977
Citations	5,874	4,239	5,250	5,098
Offense reports	4,229	4,088	4,180	3,871
Calls for service	55,829	51,054	50,843	45,907
<b>Fire</b>				
Emergency responses	3,702	3,792	3,602	4,506
Fire incidents	239	141	149	*1,370
Service calls and other calls	3,333	3,651	3,453	3,036
Automatic aid, mutual aid given	130	152	83	153
<b>Water</b>				
Average daily consumption (millions of gallons)	3.71	3.69	3.87	3.94
Total consumption (millions of gallons)	1,357.00	1,353.24	1,411.00	1,438.00
Peak daily consumption	5.83	6.65	8.20	8.60
<b>Sewer</b>				
Average daily sewage treatment (millions of gallons)	2.32	2.83	2.82	3.01
Total consumption (millions of gallons)	848.52	867.35	1,029.00	1,098.00
Peak daily consumption (millions of gallons)	7.64	8.42	11.47	9.63

Source: Various City departments

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

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

<b>Fiscal Year</b>					
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
2,460	2,272	2,041	1,719	1,701	2,141
1,083	1,041	1,064	905	974	921
5,530	5,037	4,970	5,130	5,751	5,834
3,887	3,666	3,099	2,682	3,758	4,132
52,738	53,253	**61,010	60,929	62,334	62,230
5,076	5,131	5,371	5,512	6,351	6,299
1,507	1,767	1,617	671	2,145	1,897
3,419	3,207	3,754	4,841	4,206	4,402
150	157	156	74	177	113
4.09	4.30	5.90	5.40	5.84	6.40
1,493.00	1,680.30	2,170.00	1,977.80	2,131.81	2,337.06
6.90	11.20	7.98	10.70	10.66	9.05
3.23	2.90	3.36	3.05	3.56	3.34
1,179.00	1,070.00	1,228.75	1,112.20	1,299.82	1,218.50
25.17	23.00	19.00	13.10	14.66	10.14

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# CITY OF ROSENBERG, TEXAS

## WATER AND SEWER RATES

September 30, 2022

### Water Rates

Rates for single-family residences are as follows:

First 2,000 gallons	\$10.28 minimum
2,001 - 10,000 gallons	\$2.50 per 1,000 gallons
10,001 - 20,000 gallons	\$2.70 per 1,000 gallons
20,001 - 50,000 gallons	\$2.80 per 1,000 gallons
over 50,000 gallons	\$2.90 per 1,000 gallons

Rates for commercial/industrial users are as follows:

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

All water usage over 2,000 gallons:

2,000 - 10,000 gallons	\$2.50 per 1,000 gallons
10,001 - 20,000 gallons	\$2.70 per 1,000 gallons
20,001 - 50,000 gallons	\$2.80 per 1,000 gallons
over 50,000 gallons	\$2.90 per 1,000 gallons

### Subsidence Fee

For all water used, the fee is \$2.60 per 1,000 gallons, in addition to the water rates.

### Sewer Rates

Rates for single-family residence are as follows:

First 2,000 gallons	\$15.00 minimum
2,001 - 12,000 gallons	\$3.10 per 1,000 gallons

Rates for commercial/industrial users are as follows:

<u>Minimum Monthly Billing</u>	<u>Includes up to 2,000 gallons</u>
3/4" Meter	\$15.00
1" Meter	\$30.00
1 1/2" Meter	\$45.00
2" Meter	\$55.00
3" Meter	\$120.00
4" Meter	\$195.00
6" Meter	\$375.00
8" Meter	\$600.00

All sewer used over 2,000 gallons is charged at \$3.10 per 1,000 gallons.

Rates were effective January 1, 2022

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# CITY OF ROSENBERG, TEXAS

## TOP TEN WATER AND SEWER CUSTOMERS

September 30, 2022

### TOP TEN WATER CUSTOMERS

<u>Rank</u>	<u>Customer</u>	<u>Type of Property</u>	<u>Consumption in Gallons</u>	<u>Revenue</u>
1	Urban Brittany Square LP	Apartments	18,735,500	\$ 56,565
2	Allied Concrete	Industry	13,439,200	39,466
3	Brazos Ranch Apartment Homes	Apartments	11,507,100	38,603
4	Reading Park Apartments	Apartments	11,041,800	35,453
5	3101 Place Acquisition LLC	Apartments	10,834,700	34,567
6	Bluewave Car Wash	Commercial	11,525,300	33,915
7	Kings Arms Apartments	Apartments	8,546,200	25,816
8	Williams Brothers	Commercial	6,192,400	25,094
9	Springs at Summer Park	Apartments	7,361,200	24,779
10	Lamar CISD Cooling Tower	School	7,310,500	22,232
<b>Total</b>			<u>106,493,900</u>	<u>\$ 336,490</u>

### TOP TEN SEWER CUSTOMERS

<u>Rank</u>	<u>Customer</u>	<u>Type of Property</u>	<u>Consumption in Gallons</u>	<u>Revenue</u>
1	Urban Brittany Square LP	Apartments	18,735,500	\$ 60,346
2	Brazos Ranch Apartment Homes	Apartments	11,507,100	42,798
3	Reading Park Apartments	Apartments	11,041,800	38,655
4	3101 Pace Acquisition LLC	Apartments	10,834,700	37,644
5	Bluewave Car Wash	Commercial	11,525,300	36,314
6	Kings Arms Apartments	Apartments	8,546,200	27,859
7	Springs at Summer Park	Apartments	7,361,200	27,245
8	Bayou Bend Apartments	Apartments	6,345,400	21,036
9	Waterford at Summer Park	Apartments	6,040,300	20,991
10	Aldi Texas LLC	Commercial	5,971,600	20,778
<b>Total</b>			<u>97,909,100</u>	<u>\$ 333,666</u>

# CITY OF ROSENBERG, TEXAS

## *CAPITAL ASSET STATISTICS BY FUNCTION*

Last Ten Years

<b>Function/Program</b>	<b>Fiscal Year</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Public safety				
Police Stations	1	1	1	1
Patrol units	46	46	46	47
Fire stations	2	3	3	3
Public works				
Streets (miles)	162	162	156	158
Parks and recreation				
Parks acreage	443	443	445	445
Parks	9	9	9	9
Water and sewer				
Water mains (miles)	160	161	165	180
Fire hydrants	1,187	1,243	1,341	1,353
Maximum daily capacity (thousands of gallons)	5,372	5,372	8,230	8,230
Sanitary sewers (miles)	143	143	144	151
Storm sewers (miles)	130	130	68	84
Maximum daily treatment capacity (thousands of miles)	6,525	6,525	6,525	6,525

Source: Various City departments

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

<b>Fiscal Year</b>						
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	
1	1	1	1	1	1	1
49	49	51	50	51	51	53
3	3	3	3	3	3	3
159	159	164	160	160	160	160
445	445	469	469	469	469	469
9	9	9	9	9	9	9
184	186	193	200	203	209	
1,387	1,328	1,486	1,559	1,596	1,653	
11,838	11,838	11,838	11,838	11,838	11,838	11,838
154	154	159	165	169	171	
91	92	97	102	105	108	
6,525	6,525	6,525	6,525	6,525	6,525	6,525

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