



ROUND ROCK TEXAS

From
VISION
to
REALITY



Popular Annual Financial Report

Fiscal Year Ended September 30, 2023

POPULAR ANNUAL FINANCIAL REPORT

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Purpose

The purpose of this Popular Annual Financial Report (PAFR) is to summarize and simplify the information provided in the City's Annual Comprehensive Financial Report (ACFR) which is developed in conformity with generally accepted accounting principles (GAAP) and is independently audited by Whitley Penn L.L.P. Although unaudited, the PAFR provides readers a summary of the City's revenues, expenditures, and local economic indicators for the fiscal year ended September 30, 2023. This report is intended for readers that prefer to review operational and financial information in summary form and does not substitute for the City's ACFR.

The City of Round Rock ACFR for the fiscal year ended 2023, from which the information on pages 12-19 has been drawn, will be submitted for consideration of the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

For a fully detailed, fully disclosed GAAP-based presentation of the City's financial position, the City's ACFR is available on the City's website in its entirety:

[City of Round Rock Annual Comprehensive Financial Report](#) for the Fiscal Year Ended September 30, 2023

POPULAR ANNUAL FINANCIAL REPORT



Government Finance Officers Association

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

Presented to

**City of Round Rock
Texas**

For its Annual Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

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

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Round Rock has received a Popular Award for the last 12 consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and are submitting it to GFOA for consideration.

WELCOME TO ROUND ROCK

Location



Round Rock is located fifteen minutes north of downtown Austin on Interstate Highway 35. This location places our city within three hours driving time of ninety percent of the population of the State of Texas. This population, of over twenty-six million people provides an exceptional market for firms located in Round Rock.

Our location also provides ready access to the State Capitol, multiple colleges, several large hospitals and medical educational facilities, a long list of high tech industries, including Dell, and a civilian work force of over 1,240,000 within the Austin Metropolitan Statistical Area (MSA) (Round Rock Chamber of Commerce).

The Texas Hill Country and the Highland Lakes are within minutes, providing residents easy access to some of the best outdoor recreation in Texas.

WELCOME TO ROUND ROCK

About Round Rock

Over one hundred years ago, Round Rock was a small Texas town based around an agriculture economy. In the late 1880s, Round Rock became a stop on the famed Chisholm Trail as cowboys drove herds of steer through Brushy Creek and past the distinctive, table-top-shaped round rock for which our town was named.

Today, the City of Round Rock is a fast growing, economically diverse community with a population of 128,957. The City has experienced tremendous population growth which has led to an increased demand for city services. To adequately prepare for the effect of this activity on the City, much effort goes into planning and funding infrastructure and service programs. Each winter, the City Council reviews the City's successes and challenges and refines both the short-term and long-term strategic goals for the City. These goals set the direction for the allocation of staff and financial resources and are the basis for the development of the following year's budget.

Economy

Round Rock has experienced robust economic growth in recent years. As the largest city in Williamson County, and part of the Austin MSA, Round Rock is a key part of one of the fastest growing regions in Texas and the country. From 2014 to the projected population for 2024, the City of Round Rock will have experienced a 10-year population growth of 30%. Our long-range population estimates predict this increase continuing at a growth rate of around 2.5% per year for the foreseeable future. The state's strong economy, low unemployment rate, and low rate of overall taxation continues to draw new residents and businesses into Central Texas.

The population for 2030 is projected to be over 161,000 within the City limits and over 229,000 in Greater Round Rock, which includes the City limits and the City's extraterritorial jurisdiction (ETJ). While most of the long-range growth will likely occur in northeast Round Rock where there are still large tracts of land that could be developed into additional neighborhoods, population density will likely increase across the City as residential development continues for single family townhomes, multifamily apartments, and senior living facilities. The City is planning and preparing for this population growth to ensure the high-quality services Round Rock residents have come to expect are expanded to serve residents of today and of tomorrow.

Strategic Goals FY 2023



Financially Sound
City Providing
High Value
Services



City Infrastructure:
Today and for
Tomorrow



Great Community
to Live



"Sports Capital of
Texas" for Tourism
and Residents



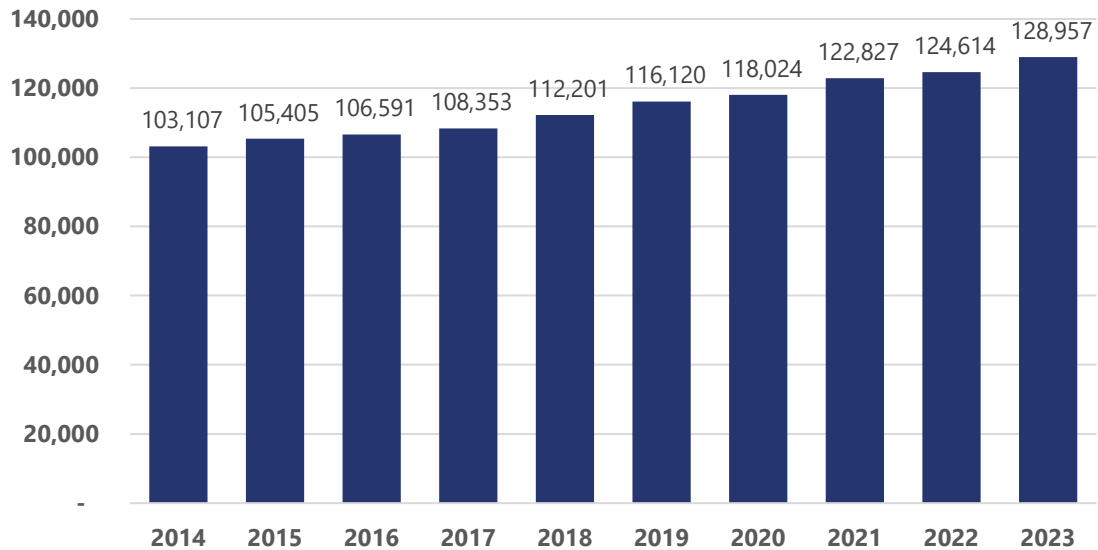
Authentic
Downtown -
Exciting
Community
Destination



Sustainable
Neighborhoods-
Old and New

WELCOME TO ROUND ROCK

Round Rock Population Growth



Long-Term Financial Planning

The City uses a 5-year planning model for the General Fund which projects revenues and expenditures over a long-term period using assumptions about economic conditions and future spending scenarios. This model is developed internally and focuses on the anticipated future funding necessary to meet the City's strategic goals.

The model takes a comprehensive approach to evaluating the long-term needs for property tax rates and other revenues to provide for the maintenance and operations of the General Fund. The City's General Fund relies heavily on sales tax as a revenue source. Sales tax is a less stable revenue source than the property tax but provides the taxpayers with more discretion and a lower property tax rate. Because of this type of revenue makeup, the City estimates sales tax revenues conservatively and introduces new programs somewhat more cautiously until projected revenue levels are attained. The City is also more attentive to the health of its economy because of the reliance upon commerce to produce sales tax.

The City's economy is expected to generate approximately \$113.9 million in sales tax revenue for fiscal year 2024, net of sales tax incentives paid to Dell, Bass Pro Shops, and Kalahari Resorts and Conventions in accordance with economic development agreements in effect. This amount includes the 0.5% in additional sales and use tax for economic development including roads and incentives. The remaining 1.5% is projected to generate \$82.6 million for general operations, property tax reduction and capital projects.

As we look into the future, there are several key initiatives in process now that will shape the development of Round Rock for the next decade. The City is leveraging available resources to attract industries from across the globe to strengthen its property tax and sales tax bases. Significant investment in the medical industry including several state-of-the-art medical facility expansions, combined with the impact of multiple higher education centers, will provide community development and unlimited opportunities. Not only will these initiatives shape the physical development of the City, but they will also influence the knowledge base and creativity found in the community.

ROUND ROCK BY THE NUMBERS

TAX INFORMATION

	2022/23
Population	128,957
Property Tax Rate	\$ 0.3420
M&O* 0.2244 Debt 0.1176	
Median Home Value	\$ 369,169
Taxable Property Assessed Value (billions)	\$ 21.7
Property Tax per Capita	\$ 573.9

* M&O refers to maintenance and operations; this is the portion of the tax rate that supports maintenance and operations of the City.

SALES TAX INFORMATION

Sales Tax Rate	8.25%
State	6.25%
City	1.00%
Type B (Roads & Economic Development)	0.50%
Property Tax Reduction	0.50%

PRINCIPAL EMPLOYERS

	Employees (2023)
Dell Technologies, Inc	12,000
Round Rock ISD	6,604
St. David's Round Rock Medical Center	1,200
City of Round Rock, Texas	1,132
Baylor Scott & White Healthcare	911
Ascension Seton Medical Center Williamson	750
Kalahari Resorts & Conventions	700
Amazon Round Rock Delivery Station	650
Emerson Automation Solutions	600
Airco Mechanical	550
Shop LC	550

CITY EMPLOYEES

FTEs	1,132
Sworn Police	200 (282 in Police including civilians)
Firefighters	163 (187 in Fire including civilians)

PRINCIPAL PROPERTY TAXPAYERS

Kalahari Reports & Conventions
Dell Computer Holdings, LP
CPG Round Rock, LP (Round Rock Premium Outlets)
CMF 15 Portfolio, LLC (Colonial Grand Apartments)
Dell Computer Corp.
Stanmore Warner Ranch Apts., LLC
2811 La Frontera, LP (Grffis on La Frontera)
TMP Parkside Project, LLC (Parkside at Round Rock Apts.)
Fisher-Rosemount Systems (Emerson Process Management)
Columbia/St.David's Healthcare

PRINCIPAL HOTEL TAXPAYERS

	Number of Rooms
Kalahari Resorts & Conventions	975
Austin Marriott North	295
Embassy Suites	180
Hyatt Place	138
Hilton Garden Inn	122
Homewood Suites	115
Element	123
La Quinta Palm Valley	99
Courtyard by Marriott	113
Holiday Inn Express N	109



ECONOMIC DEVELOPMENT

The City understands that diversification of Round Rock's economy is key to financial stability. The long-standing partnership between the City and the Round Rock Chamber of Commerce continues to attract new development to the City. The funding is leveraged with the Chamber Momentum Fund to create a public/private partnership for economic development priorities. This partnership continues to yield new prospects through an inspired approach to economic development for Round Rock.

Strong Local Base

Round Rock's economy has become stronger and more diverse because of a variety of business relocations bringing capital investment, job opportunities, and new residents to the City. **Emerson**, a global engineering, technology, and software company, opened its \$70 million, 282,000 square-foot international headquarters in January 2014. In February 2022, the City approved an economic development agreement for Emerson's \$9 million expansion plan which is to include 50 to 60 additional employees by the end of the agreement. **TECO-Westinghouse** is the largest manufacturer of electric motors in North America.



Round Rock is home to **Dell's** global headquarters with an estimated 12,000 employees in 2023. Since Dell relocated its global headquarters to Round Rock in 1994, the economic impact to the City has been transformative. Dell remains the City's largest sales taxpayer. Because of the company's commitment to Round Rock, the employment opportunities they offer, and the property tax and sales tax revenues they generate, Dell remains a major driver to the City's economy.

United Parcel Service (UPS) opened a new facility in Round Rock in late 2018. This \$70 million regional distribution center is 225,000 square-feet and is located on fifty acres of land near SH 45 and A.W. Grimes Boulevard. The new center employs more than 500 people with an annual average salary of at least \$50,000.

Kalahari Resorts and Conventions made its debut in Round Rock on November 12, 2020, with an estimated 700 employees in 2023. The Round Rock location represents its fourth family resort and convention center. The authentically African-themed Kalahari Resorts and Convention Center features 975 well-appointed guest rooms, full-service amenities, fully equipped fitness centers, on-site restaurants, unique retail shops, state-of-the-art 150,000 square-foot conference center, and a 223,000 square-foot indoor/outdoor water park. This resort has presented new opportunities for Round Rock and has provided substantial sales and hotel occupancy tax revenues, as well as diversify the local economy and available employment opportunities.



Amazon opened a new delivery station in Round Rock in 2021 and has an estimated 650 employees. The 32-acre site is located at the Chisholm Trail Center near I-35 and Old Settlers Boulevard and is comprised of three industrial buildings. The larger building is 180,550 square-feet and is used as the campus distribution center. The smaller two buildings total 260,970 square-feet and are used as parking for employees and delivery vehicles. The delivery station has created hundreds of local jobs. Amazon is expanding in Round Rock with plans to build a distribution center, data center, and electrical substation on 149 acres along Country Road 172 and McNeil Road, north of SH 45.

ECONOMIC DEVELOPMENT

East/West Manufacturing opened a new 43,000 square-foot facility in Round Rock in November 2021. East/West manufactures electronic and will relocate 30 jobs and create 30 new jobs over five years with the average salary being \$50,000 a year. The company will invest \$5 million into the new facility with an additional \$650,000 in business personal property.



A new **Embassy Suites Hotel and Conference Center** opened May 3, 2022, on nearly six acres of land near Bass Pro Shops and the Round Rock Premium Outlets. The hotel features 180 rooms with over 17,000 square-feet of beautiful event space with a grand ballroom for up to 600 guests. Embassy Suites Hotel and Conference Center has generated 77 jobs as of June 2022.

Round Rock is the new home of **Ametrine, Inc.**, a camouflage systems manufacturer relocating from Maryland. Ametrine will bring 140 new jobs with an average salary of \$75,000 a year to a 40,000 square-foot facility where they hope to continue to grow the presence of the defense industry. The company will invest an estimated \$8.6 million in business personal property and real property improvements and must sign a lease at the facility for at least 10 years.

Triple Temp Cold Storage LLC recently opened a new cold storage and manufacturing facility in southwest Round Rock which started construction July 2021. The facility is 125,000 square-feet on a 10-acre site near Bratton Lane and expected to generate 60 new jobs with salaries averaging \$60,000 a year. The new facility will also serve as an incubator for entrepreneurs to create new food products and take them to market. This cold storage and incubator will be the first to market in the Austin-Round Rock area, strategically located in central Texas along the I-35 corridor. Triple Temp Cold Storage LLC was completed late in fiscal year 2023.

On the Horizon

Toppan Photomasks first established its U.S. presence in Round Rock in 1986 and is an advanced manufacturer of photomasks, which is a key component in the process of creating a semiconductor chip that is used by global companies such as Samsung, Texas Instruments, and others. Due to new funding opportunities through the U.S. CHIPS & Science Act, Toppan had been evaluating opportunities to modernize and expand to meet the demands of the rapidly advancing global semiconductor industry while also competing with China. After evaluating investment opportunities worldwide and in the U.S., Toppan selected its existing Round Rock location to move forward with a near \$200 million expansion and modernization project that will create at least 50 new jobs.



Switch, Inc., the exascale technology infrastructure corporation, will locate its Fifth Prime data center campus in Round Rock. Switch will build a 1.5 million square-foot campus of highly resilient Tier 5® data center space next to Dell. This new campus will be called “The Rock” and will continue with Switch’s industry-leading commitment to sustainability by powering this facility with 100 percent renewable energy. Switch recently announced plans to open another data center less than a mile away from their current one under construction. Switch, Dell, and FedEx are working together to develop exascale multi-cloud edge infrastructure services to bring computer, storage and connectivity to the network edge and help customers overcome performance barriers for latency-sensitive applications.

ECONOMIC DEVELOPMENT

Over the next five years, new economic development projects will reshape Round Rock's economy by diversifying the economy and bringing in new residents and visitors. The City entered into an agreement with Mark IV Capital for **The District** on February 14, 2019, and proposed changes to the development were unveiled to Round Rock's City Council in June 2022. Revised plans for the development show the District is comprised of two to three million square-feet of office space, 1,600 luxury multifamily residential units, 230,000 square-feet of lifestyle retail and hospitality space, walkable amenities, and open green space. This mixed-use development will be a great opportunity for continued growth and diversification of the City's economy.



Sabey Data Centers (SDC), a premier colocation data center provider, broke ground on July 20, 2022, on a new, 40-acre data center campus in Round Rock; it's the company's first location in Texas. The new campus will provide up to 72-megawatt power capacity, supported by Sabey's industry-leading commitments to reliability, security, connectivity, and sustainability. In addition, Sabey's new campus will feature its latest innovations that maximize available data center space while shrinking its construction footprint. SDC will construct its data center on property formerly occupied by a Sears call center. The facility will consist of two buildings housing a data storage. Once completed, the facility's operation will bring 20 primary jobs to the area. The company will invest an estimated \$185 million in real property improvements and \$5 million in business personal property.

KingsIsle Entertainment, Inc., a digital technology company known for online role-playing games, will relocate its headquarters to Round Rock to expand its footprint in the City. The relocation comes after KingsIsle was acquired by Media and Games Invest. The company will lease a 33,000 square-foot facility for a minimum of three years to serve as its consolidated central office. It will invest a minimum of \$500,000 in real property improvements and business personal property and create 150 diverse primary jobs.

Valex Corporation, a leading manufacturer of ultra-high purity process components used in the semiconductor, TFT/LCD and solar industries, will open its first Texas facility in Round Rock. The company currently operates three manufacturing locations in California, Korea, and China. The manufacturing company will invest a minimum of \$5 million in property improvements and \$7 million in new equipment to an existing 60,000 square-foot facility in the Crystal Park business development.

Higher Education and Healthcare

Round Rock also has several higher education facilities, many of which focus on healthcare disciplines. These institutions of higher learning include the **Texas State University, Austin Community College, and Texas A&M Health Science Center**. Texas State University opened its newest building, Willow Hall, in May 2018. This \$67.5 million, 107,000 square-foot facility is home to the university's departments of communication disorders, physical therapy, and respiratory care which moved from the university's San Marcos campus as the university continues to consolidate the College of Health Professionals here in Round Rock. The 87th Texas Legislature, during its third special session in October 2021, passed Senate Bill 52 authorizing \$3.3 billion in tuition revenue bonds for the construction of public university and health institution projects. Texas State University will receive an allocation from those



ECONOMIC DEVELOPMENT

funds for Esperanza Hall, the fourth academic building for the College of Health Professions on the Round Rock Campus. The hall will be 81,651 square-feet with an estimated total project cost of \$52.4 million and will include classrooms, labs, and offices to support the College of Health Professions. Construction is expected to start Summer of 2024 and estimated to be complete January 2026.

Austin Community College (ACC) celebrated the opening of a \$33 million, 45,000 square-foot expansion of its Round Rock campus in September 2018, featuring the college's third state-of-the-art ACCelerators, advanced science labs, classrooms, and made room for the enrollment of an additional 1,000 students. In November 2022, a bond proposition was passed that includes the next expansion of the campus for skilled trades, advanced manufacturing, and health science programs. On November 2022, a bond proposition passed for another expansion to the Round Rock campus for Skilled Trades, Advanced Manufacturing, and Health Sciences programs.



In January 2023, **Baylor Scott & White** announced a \$220 million expansion of their Round Rock facilities to include a neonatal intensive care unit, expanded labor and delivery department, additional operating rooms, cardiac catheterization, interventional radiology and testing laboratories, expanded emergency department, and other facility support, as well as more patient beds. The expansion is expected to be completed in 2026.

In October 2023, **Ascension Seton** announced a \$200 million expansion to their Round Rock campus. The expansion features a six-story tower totaling 216,000 square-feet with 160 patient rooms, two operating rooms, more department space, a build out of nearby medical plaza to add outpatient and rehab care, and add over 400 positions.



Taken by Rock Studios

NET POSITION BY COMPONENT

City-Wide

Governmental activities make up 54.0% of the City's net position at September 30, 2023 while business-type activities make up 46.0%. The following chart shows the financial health of the City improving year over year.



* As restated:

The City implemented GASB Statement No. 68 in 2015. As a result, net position for 2014 was restated.

The City implemented GASB Statement No. 75 in 2018. As a result, net position for 2017 was restated.

The City implemented GASB Statement No. 96 in 2023. As a result, net position for 2022 was restated.

General Fund

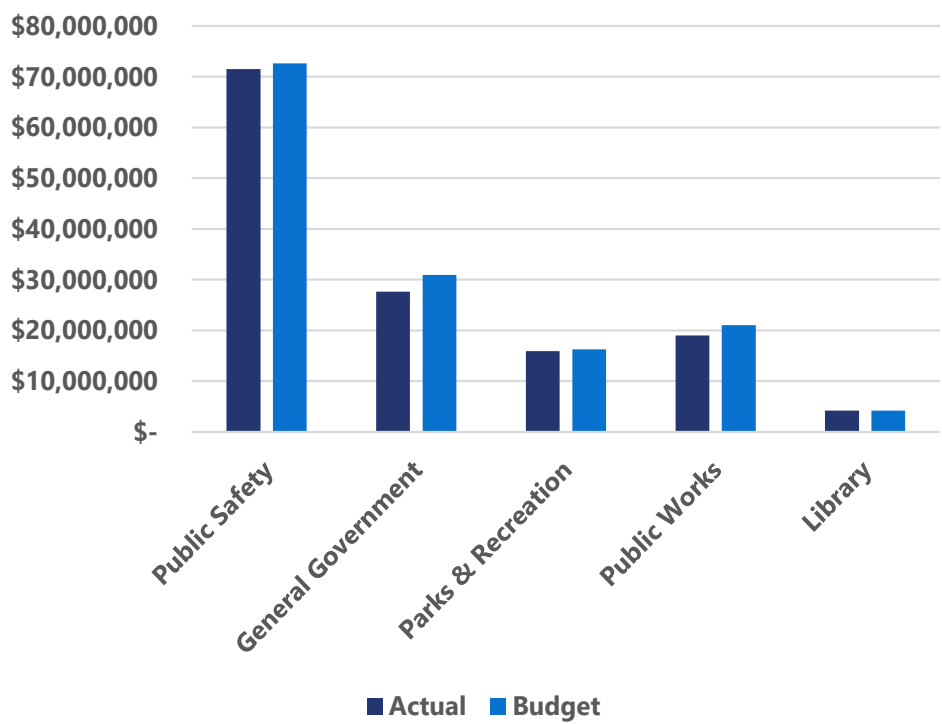
The Financial Policy states that the City will maintain budgeted minimum reserves in the ending working capital/fund balances of its operating and debt funds to provide a secure, healthy financial base for the City in the event of a natural disaster or other emergency and to maintain or enhance its credit worthiness. In recognition of fund balance reserve best practices, the fund balance reserve in the General Fund shall be ninety (90) days or 25% of annual budgeted General Fund operating expenditures. The General Fund's total fund balance at September 30, 2023 is \$63,699,353, or 84.3% more than the fund balance policy requirement, which is considered a very healthy General Fund.

The General Fund is the primary operating fund of the City. At the close of the current fiscal year, fund balance of the General Fund reached \$63,699,353, of which \$63,341,210, or 99.4% of the total amount is unassigned. To measure the general fund's liquidity, it is useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represented 45.8% of total general fund expenditures.

CITY FINANCES - 2022/23



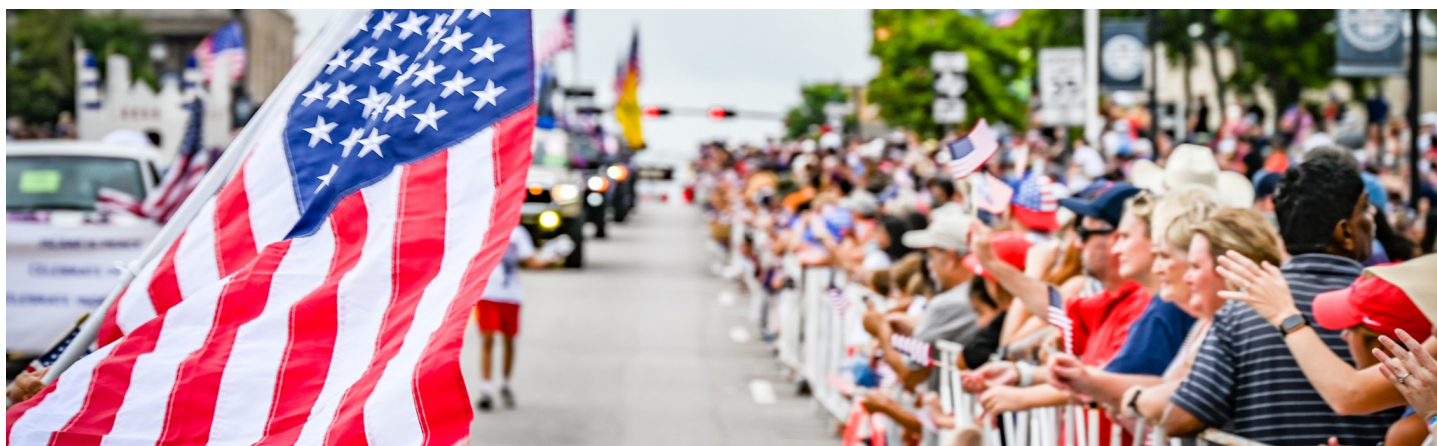
General Fund Expenditures



The City’s financial condition remains healthy and has continued to improve year after year. The City’s strong financial position is a result of prudent fiscal management as well as growth in the local economy experienced over the past several years.

GENERAL FUND

Balance Sheet



ASSETS	2021	2022	2023
Cash and Cash Equivalents	\$ 16,412,191	\$ 6,473,185	\$ 6,900,794
Investments	48,392,275	46,956,717	60,946,923
Receivables (net of allowances for uncollectibles)			
Property taxes, including interest and penalties	430,365	525,259	367,048
Accounts and other	7,858,390	8,682,401	8,208,740
Accrued interest	42,330	223,872	412,341
Interfund	-	-	628
Grants	489,495	465,905	340,724
Inventories	285,779	286,018	331,614
Prepaid Items	91,631	99,549	26,529
Restricted Assets			
Cash and Cash Equivalents	-	-	1,905,987
Total Assets	\$ 74,002,456	\$ 63,712,906	\$ 79,441,328
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 8,873,552	\$ 7,960,127	\$ 7,599,900
Accrued payroll	2,629,525	3,024,596	5,334,366
Interfund payables	10,882	-	-
Unearned revenue	2,771,141	3,550,082	2,440,661
Total Liabilities	14,285,100	14,534,805	15,374,927
Unavailable revenue - property taxes	426,917	525,259	367,048
Fund Balances			
Nonspendable	377,410	385,567	358,143
Unassigned	58,913,029	48,267,275	63,341,210
Total Fund Balances	59,290,439	48,652,842	63,699,353
Total Liabilities and Fund Balances	\$ 74,002,456	\$ 63,712,906	\$ 79,441,328

GENERAL FUND

Condensed Statement of Revenues, Expenditures and Changes in Fund Balance



REVENUES

	2021	2022	2023
Taxes and franchise, including interest and penalties	\$ 100,208,484	\$ 112,789,493	\$ 123,005,330
Other	16,640,538	14,943,239	23,855,518
Total Revenues	116,849,022	127,732,732	146,860,848

EXPENDITURES

Current operating	115,270,372	125,863,518	138,216,596
Total Expenditures	115,270,372	125,863,518	138,216,596

Excess (deficiency) of revenues over expenditures	1,578,650	1,869,214	8,644,252
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OTHER FINANCING SOURCES (USES)

Transfers in	6,257,264	6,455,000	6,905,000
Transfers out	(8,359,371)	(18,961,811)	(502,741)
Total other financing sources (uses)	(2,102,107)	(12,506,811)	6,402,259
Net changes in fund balance	(523,457)	(10,637,597)	15,046,511
Fund Balances, October 1	59,813,896	59,290,439	48,652,842
Fund Balances, September 30	\$ 59,290,439	\$ 48,652,842	\$ 63,699,353

During the current fiscal year, the fund balance of the General Fund increased by \$15,046,511 due to an increase in revenues over prior year. The General Fund's total revenues increased \$19,128,116 and exceeded the budget by \$7,817,075 due to subdivision development fees, building permits, and an increase to investment income due to favorable market conditions. The City continues to budget revenues conservatively but with the continued population growth and increase in property values, the property taxes, and other revenues continue to surpass budgeted projections. The increase in revenues was offset by an increase in expenditures totaling \$12,353,078, a result of a cost of living adjustment in salaries and an increase in salaries and operating expenses for public safety.

UTILITY FUND

Condensed Statement of Net Position

ASSETS	2021	2022	2023
Current Assets:			
Cash and cash equivalents:	\$ 43,548,986	\$ 18,966,217	\$ 26,809,599
Investments	133,983,118	152,309,783	134,428,612
Receivables (net of allowance for uncollectibles)	30,143,795	26,313,223	27,797,719
Inventories	558,085	634,700	956,385
Prepaid items	430,119	467,024	469,390
Total current assets	208,664,103	198,690,947	190,461,705
Noncurrent Assets:			
Restricted cash, cash equivalents, and investments	13,617,889	15,853,036	11,730,317
Restricted accounts receivable	4,637	38,496	51,072
Investment in joint venture	17,090,044	24,833,187	41,039,999
Capital Assets:			
Land and construction in progress	29,542,197	19,048,906	33,389,170
Capital assets being depreciated/amortized	339,008,383	367,963,698	378,608,387
Total capital assets (net of accumulated depreciation/amortization)	368,850,580	387,012,604	411,997,557
Total noncurrent assets	399,563,150	427,737,323	464,818,945
Total assets	\$ 608,227,253	\$ 626,428,270	\$ 655,280,650
DEFERRED OUTFLOWS OF RESOURCES ¹			
Total deferred outflows of resources	5,941,116	6,267,775	9,210,464
LIABILITIES			
Current liabilities:			
Total current liabilities	46,877,927	39,433,961	30,789,727
Noncurrent liabilities:			
Total noncurrent liabilities	75,913,770	70,663,365	72,909,715
Total liabilities	122,791,697	110,097,326	103,699,442
DEFERRED INFLOWS OF RESOURCES ²			
Total deferred inflows of resources	1,020,245	2,540,640	484,381
NET POSITION			
Net investment in capital assets	300,937,539	322,168,381	350,754,284
Restricted for:			
Debt service	209,605	38,580	81,555
Capital projects	11,540,796	13,827,480	10,346,161
Unrestricted	177,668,487	184,023,638	199,125,291
Total net position	\$ 490,356,427	\$ 520,058,079	\$ 560,307,291

¹ 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.

² 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.

UTILITY FUND

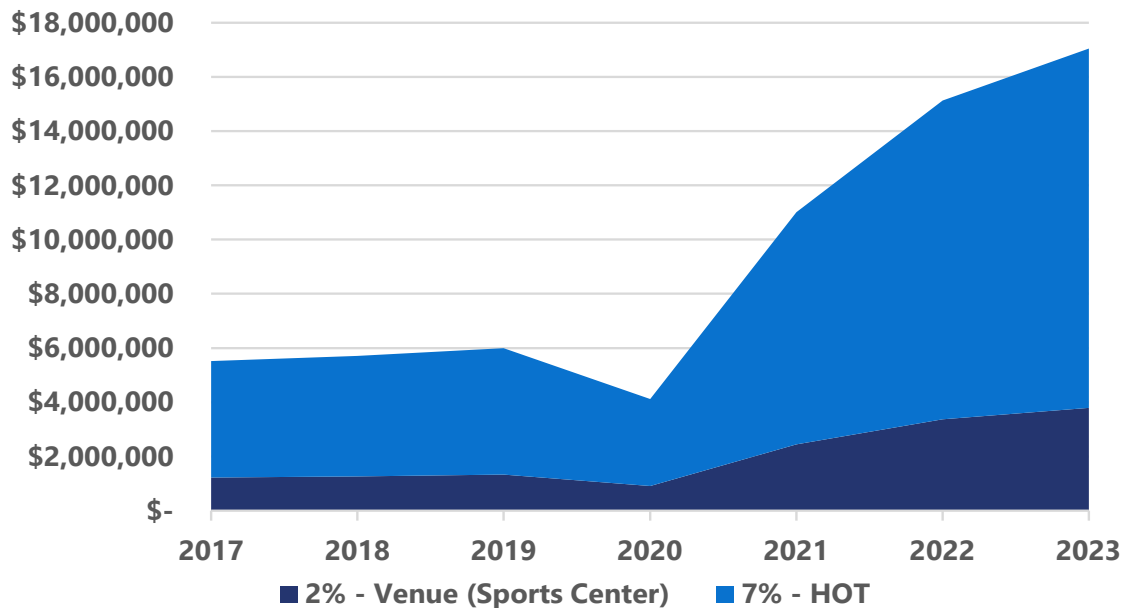
Condensed Statement of Revenues, Expenditures and Changes in Fund Balance

OPERATING REVENUES	2021	2022	2023
Charges for services	\$ 55,106,110	\$ 60,923,212	\$ 61,870,880
Licenses, permits, and fees	5,472,368	6,302,178	6,394,076
Total Operating Revenues	60,578,478	67,225,390	68,264,956
OPERATING EXPENSES			
Personnel services	12,896,946	13,633,693	16,702,089
Contractual services	16,476,180	18,392,887	17,758,878
Supplies	1,276,682	1,810,064	1,806,816
Repair and maintenance	1,774,568	2,424,329	2,512,717
Heat, light and power	2,404,405	2,891,204	3,109,243
Depreciation and amortization	20,580,556	22,240,383	24,007,208
Total operating expenses	55,409,337	61,392,560	65,896,951
Operating income	5,169,141	5,832,830	2,368,005
NONOPERATING REVENUES (EXPENSES)			
Investment and other revenues	2,363,247	90,182	7,289,303
Interest and fiscal charges	(2,654,495)	(2,493,552)	(2,332,128)
Total nonoperating revenues (expenses)	(291,248)	(2,403,370)	4,957,175
Income before contributions and transfers	4,877,893	3,429,460	7,325,180
CONTRIBUTIONS & TRANSFERS			
Contributions - impact fees	8,473,363	10,874,007	7,625,427
Contributions - infrastructure	12,514,399	18,891,783	30,099,159
Contributions - other	1,300,736	1,861,402	804,446
Transfers out	(5,196,000)	(5,355,000)	(5,605,000)
Total contributions and transfers	17,092,498	26,272,192	32,924,032
Change in net position	21,970,391	29,701,652	40,249,212
Net position, October 1	468,386,036	490,356,427	520,058,079
Net position, September 30	\$ 490,356,427	\$ 520,058,079	\$ 560,307,291

The City sets utility rates based on the cost of service, establishing an equitable rate structure for total cost recovery. The utility rate model was updated during 2021 and the results showed no water rate increases were needed for the next several years. The City's wastewater rates decreased, and the new rates went into effect February 1, 2022. The utility rate model showed the cost of service for wastewater had decreased from the prior study projections due to the cost savings in taking over operations at the regional wastewater plant. The Utility Fund continued to show cost savings by reducing its power costs, improving operations, and lowering interest payments by refinancing its debt in prior years for both water and wastewater utility services.

HOTEL OCCUPANCY AND VENUE TAX REPORT

Hotel Occupancy and Venue Tax Revenue



The City had 5,028 hotel rooms at the end of fiscal year 2023 with two additional hotels planned. The largest hotel in Round Rock is Kalahari Resorts and Conventions, which features 975 rooms and resort/play options not available anywhere else in this area.

Hotel occupancy and venue tax collections support local tourism events and debt service for the Dell Diamond/ Convention Center, the home of the "Round Rock Express" Triple A Baseball team and the Round Rock Sports Center, the City's 82,800-square-foot indoor sports venue which opened in January 2014. The Round Rock Sports Center has hosted numerous sporting as well as banquets, wedding expos, corporate meetings, and other events that bring visitors to Round Rock.

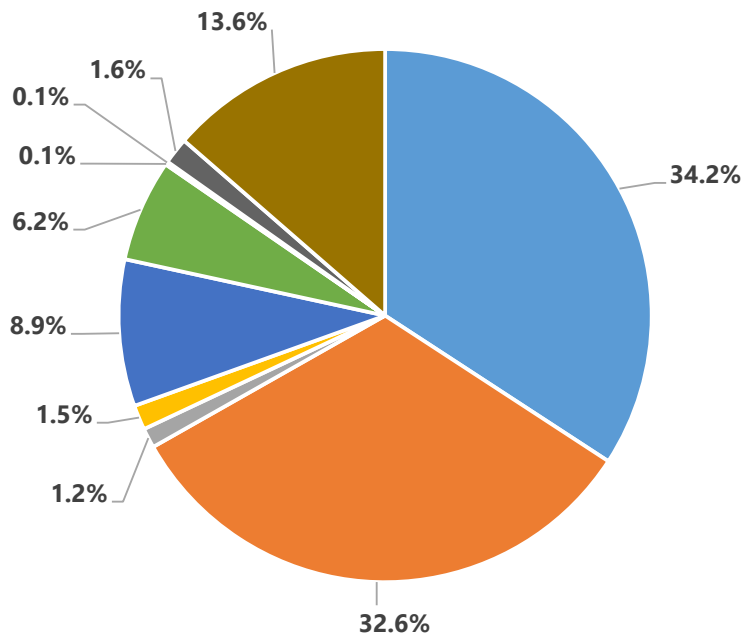
The sixth year of operations of the Round Rock Multipurpose Complex – a \$27 million tournament class outdoor sports complex which opened in May 2017 – has contributed to the economic impact of annual visitors who attend regional and national tournaments. Since its inception, it has hosted dozens of regional tournaments, national tournaments for U.S. Women's Lacrosse and Quidditch, and has been selected as the host of NIRSA National Flag Football Championships, NIRSA Soccer National Championships, and Big 12 Women's Soccer Championships.

The Forest Creek Golf Club was extensively renovated in 2018 and has been nationally recognized as one of the finest public golf courses in central Texas.

SOURCES AND USES OF DEBT



Long-Term Debt (Millions)



General Obligation Bonds	\$ 149.8
Certificates of Obligation	143.0
Limited Tax Notes	5.2
Hotel Tax Revenue Bonds	6.7
Sales Tax Revenue Bonds	39.0
State Infrastructure Bank Loan	27.0
Notes Payable	0.6
Leases	0.6
Subscriptions	6.8
Water/Wastewater Revenue Bonds	59.9

CREDIT RATINGS

General Obligation	S & P	AAA
Utility	S & P	AAA
BCRUA	S & P	AAA
RRTEDC	S & P	AA-
Hotel	S & P	A+

** The City of Round Rock has been able to use its strong bond ratings to take advantage of favorable interest rates when refinancing debt. Strong credit ratings allow the City to secure debt at lower interest rates which reduces the City's borrowing costs.

As of September 30, 2023, the City had a total outstanding bonded debt of \$438,578,978. Round Rock uses municipal bonds to strategically fund large capital infrastructure projects like new road improvements, parks, large water and wastewater treatment facilities, trails, fire stations, public safety training facilities and libraries.

During the current fiscal year, the City of Round Rock's total debt decreased by \$21,554,052. Regularly scheduled debt principal was retired during 2023. The City did not issue any new debt in 2023.

Round Rock is one of only eight (8) cities in Texas with AAA ratings for both General Obligation and Utility Debt. The AAA rating for G.O. debt was affirmed in April 2022.

