



City of Round Rock, Texas

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2024

ELECTED OFFICIALS

Craig Morgan, Mayor
Kristin Stevens, Mayor Pro - Tem
Michelle Ly, Council Member
Rene Flores, Council Member
Frank Ortega, Council Member
Hilda Montgomery, Council Member
Melissa Fleming, Council Member

MANAGEMENT STAFF

Brooks Bennett
City Manager

Brad Wiseman
Assistant City Manager

OFFICIAL ISSUING REPORT

Susan L. Morgan, CPA
Chief Financial Officer



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Mayor
Craig Morgan

Mayor Pro-Tem
Kristin Stevens

Councilmembers
Michelle Ly
Rene Flores
Melissa Fleming
Frank Ortega
Hilda Montgomery

City Manager
Brooks Bennett

City Attorney
Stephanie L. Sandre

February 3, 2025

To the Honorable Mayor, Members of City Council, and Citizens
City of Round Rock, Texas

The Annual Comprehensive Financial Report of the City of Round Rock, Texas for the fiscal year ended September 30, 2024, is submitted herein. This report has been prepared by the City's Finance Department and responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data is accurate in all material aspects and is presented in a manner designed to clearly state the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures have been included to enable the reader to gain the maximum understanding of the City's financial affairs.

The City Charter requires an annual audit of the books of account, financial records, and transactions of all departments of the City by independent certified public accountants selected by the City Council.

Whitley Penn, L.L.P., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Round Rock's financial statements for the year ended September 30, 2024. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) can be found immediately following the report of the independent auditors. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

City of Round Rock Profile

The City of Round Rock, established in 1851, is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under a Council-Manager form of government with six council members and a mayor. The City Manager is appointed by the City Council and is responsible to them for managing and administering all City affairs.

The Chief Financial Officer is appointed by the City Manager and is responsible for supervising the operations of the Finance Department. This department maintains all accounting records of the City.

The financial reporting entity (the government) includes all the funds of the primary government (the City of Round Rock as legally defined) as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. The City provides a full range of services which include police and fire protection, parks and library, construction and maintenance of infrastructure, planning and community development, convention and tourism activities, and general administrative services. In addition, the City owns and operates a water, wastewater, and stormwater utility system and a golf course. These activities are included in the accompanying financial statements. Blended component units, although legally separate entities, are in substance part of the primary government's operations and included as part of the primary government. Accordingly, Round Rock Transportation and Economic Development Corporation (RRTEDC) revenues are reported in a special revenue fund of the City.

Annual budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Fund, and the Proprietary Funds. Capital Projects Funds have no binding annual budget. Project-length financial plans are adopted for all capital projects; accordingly, no comparison of budget to actual is presented in the financial statements.

Budgetary control is monitored at the department level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors; however, the level of control at which expenditures may not exceed the budget is at the fund level. Purchase orders which result in an overrun of balances are not released until additional appropriations are made available.

Significant Local Economic Events

Strategic Goals

Along with the entire Central Texas region, the City has experienced tremendous population growth over the past several years 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 January, 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.

The goals and objectives identified by Council most recently are:

Financially Sound City Providing High Value Services



- Diversify City revenues to support defined City services and service levels
- Expand the City tax base through economic expansion and diversity
- Maintain responsible financial reserves consistent with City financial policies and national standards
- Maintain City facilities, equipment, and apparatus
- Develop, update, and use long-range organization and strategic master planning
- Hire and retain top-quality, diverse City workforce dedicated to serving the Round Rock community
- Be recognized as a financially responsible City by maintaining a "AAA" bond rating

City Infrastructure: Today and For Tomorrow



- Maintain responsible potable water used by City customers, City facilities and parks
- Invest in City infrastructure to support future community growth and economic development
- Expand water reuse system throughout the City where feasible
- Improve mobility throughout the City and the region
- Upgrade and expand roads
- Upgrade and expand drainage and stormwater system
- Maintain, upgrade and expand regional wastewater system
- Maintain road infrastructure

Great Community to Live



- Expand and diversify the local business and job opportunities for residents
- Redevelop older commercial areas and corridors
- Expand and maintain quality-of-life amenities for residents
- Maintain community where people prefer to live and work
- Diversify housing opportunities and ownership opportunities
- Expand education campuses and programs
- Retain medical/healthcare businesses

Authentic Downtown - Exciting Community Destination



- Increase public and commercial use of Brushy Creek
- Expand housing opportunities: townhomes, apartments, condos
- Complete the Depot development
- Increase Downtown connectivity with Brushy Creek/Lake Creek
- More attractive, aesthetically pleasing Downtown
- Expand retail businesses and day-time foot traffic

Sustainable Neighborhoods



- Be a safe community
- Upgrade older housing stock: exterior and interior
- Upgrade neighborhood parks and open spaces
- Increase neighborhood connectivity through streets and trails
- Maintain positive working relationships with homeowner associations/neighborhood associations
- Repair and upgrade neighborhood infrastructure: streets, sidewalks, utilities, fences, streetscapes

"The Sports Capital of Texas" for Tourism and Residents



- Expand sports facilities (Sports Center/Multipurpose Complex) to support tourism
- Increase number of tournaments: regional and national
- Develop and maintain additional sports fields - practice, games, sports tourism
- Upgrade the quality and maintenance of current City sports facilities
- Increase revenues from sports tourism/convention for the benefit of residents and the local economy
- Expand conventions/conferences

The budget adopted for fiscal year 2025 reflects a fiscally responsible approach to improving the City's infrastructure and meets current demands while maintaining the City's strong financial position.

Economy

Round Rock has experienced robust economic growth in recent years. As the largest city in Williamson County and part of the Austin Metropolitan Statistical Area (MSA), Round Rock is a key part of one of the fastest growing regions in Texas and the country. From 2015 to the projected population for 2025, the City of Round Rock will have experienced 10-year population growth of 29%. 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 228,000 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.

Round Rock continues to gain recognition for the value of the high-quality services provided to our residents. Below are a few of our most recent accolades:

- Ranked number 1 by Bankrate.com as one of the "Best Places to Live"
- Ranked number 1 by Milkeninstitute.org as one of the "Best Performing Cities"
- Ranked number 4 by Rocket Mortgage as one of their "Fastest Growing Cities in the US"
- Ranked number 17 by SmartAsset.com as one of the "Safest Cities in America"
- Awarded the "Leading the Way Award" for the second year in a row, by ETC Institute, an award that recognizes local governments for outstanding achievement in the delivery of services to residents
- The American Planning Association (APA) Texas Chapter named Round Rock 2030, the City's comprehensive plan, the Best Comprehensive Plan in the state of Texas and awarded the City of Round Rock the "Community of the Year Award"

Economic Development

The City understands that diversification of Round Rock's economy is a 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 set 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 and is the largest employer in Round Rock with an estimated 12,000 employees in 2024. Since Dell relocated to Round Rock in 1994 their economic impact on the City has been transformative. The City and Dell's partnership has spanned over thirty years and has transformed Round Rock into a hub of economic and technological development. Dell remains the City's largest property and sales taxpayer. The company's commitment to Round Rock along with the business and employment opportunities they continue to bring keeps them a major driver to the City's economy. On April 25, 2024, the City extended their existing economic development agreement with Dell from 2053 to 2099, lengthening Dell's commitment to Round Rock and the corresponding economic benefits for an additional 46 years.

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 900 people with an annual average salary of at least \$50,000.

Kalahari Resorts and Conventions made its debut in Round Rock in November 2020, with an estimated 700 employees in 2024. 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 with a recent expansion. 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. 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 totaling 440,000 square-feet. **Amazon** is expanding its Round Rock presence, building a distribution center, data center, and electrical substation on a 149-acre site on the City's southwestern side. This new project is scheduled to be complete in 2025 and to create another 150 – 200 jobs.

East/West Manufacturing opened a new 43,000 square-foot facility in Round Rock in November 2021. East/West manufactures electronics 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.

Round Rock is the new home of **Ametrine, Inc.**, a camouflage systems manufacturer which relocated from Maryland. Ametrine brought 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 invested an estimated \$8.6 million in business personal property and real property improvements and signed a lease at the facility for at least 10 years.

Triple Temp Cold Storage LLC opened a new cold storage and manufacturing facility in southwest Round Rock on November 2, 2023. The facility is 125,000 square feet on a 10-acre site near Bratton Lane with 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 are the first to market in the Austin-Round Rock area, strategically located in central Texas along the I-35 corridor.

Valex Corporation, a leading manufacturer of ultra-high purity process components used in the semiconductor, TFT/LCD and solar industries, opened its first Texas facility in Round Rock. The company currently operates three other 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.

On the Horizon

Tekscend Photomasks Corp., formally known as 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, Tekscend 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., Tekscend 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.

KoMiCo is a semiconductor equipment parts cleaning, coating, and repair company based in Round Rock and has begun a 40,000 square-foot expansion that will bring additional jobs and is expected to be completed by late 2025.

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.

Sabey Data Centers (SDC), a premier colocation data center provider, broke ground in July 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 84-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 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. The Texas Advanced Computing Center (TACC) at The University of Texas at Austin announced in August 2024 that Sabey will be home to its Horizon supercomputer. Horizon is part of the nation's National Science Foundation-funded leadership class computing program that is expected to revolutionize research for the coming decade.

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**. On December 4, 2024, **Texas State University** held a groundbreaking ceremony for Esperanza Hall, the first new academic building since Willow Hall opened in 2018, and 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. Esperanza Hall is expected to be completed in July 2026.

Austin Community College continues to expand its presence in Round Rock. A November 2022 bond proposition passed for another expansion to the Round Rock campus for Skilled Trades, Advanced Manufacturing, and Health Sciences programs with the groundbreaking ceremony on November 22, 2024. This expansion will include two new buildings, as well as renovations of current facilities. This new addition complements the 2018 completion of a \$33 million, 45,000 square-foot expansion featuring the college's third state-of-the-art ACCelerator with more than 140 computers, advanced science labs and classrooms.

In January 2023, **Baylor Scott & White** broke ground on a \$220 million expansion of their already extensive 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, expended emergency department, and other facility support, as well as more patient beds. The expansion is expected to be completed in 2026.

In September 2024, **Ascension Seton Williamson** broke ground on a \$230 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. The expansion is expected to be completed in 2026.

Relevant Financial Policies

Accounting System and Controls

The General Fund Reserve Policy remains at 25% of operating expenditures. The City's Concentration Risk Fund, a separate account to provide additional surety on the City's highest sales tax remitters, remains in place. Working capital in the Water/Wastewater Utility Fund is maintained at 33% of operating expenditures. Balances in excess of the above levels are earmarked for future uses or reduced to the target levels over an appropriate length of time.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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 revenues 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 property tax but provides the taxpayers with more discretion and a lower property tax rate. Because of this 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 \$110.8 million in sales tax revenue for fiscal year 2025, 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 roads and economic development. The remaining 1.5% is projected to generate \$80.7 million for general operations, property tax reduction and capital projects.

Dell continues to be a key driver for both Round Rock and the Central Texas region. To ensure good overall financial stability for the City, a concentration risk fund has been established to mitigate the City's annual net exposure to declining sales tax from any single sales taxpayer. Therefore, any single taxpayer that represents more than 15% of total budgeted sales tax revenue, net of incentives, is limited to 15% from FY 2024 and thereafter in the General Fund, with excess being recognized in the General Self-Financed Construction Fund. In fiscal year 2022, the City Council adopted new financial policies to cap the sales tax reliance in the General Fund. Any expected or realized sales tax in the General Fund will not exceed 45% of the operating budget. Any amount above 45% will be recognized in the General Self-Financed Construction Fund for pay-as-you-go one-time capital expenditures of projects.

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 2024 and the results showed a retail water and wastewater rate increase was needed for the next several years. The City's water and wastewater new retail rates went into effect November 1, 2024.

The City continues to plan ahead to ensure its utility system will serve the future citizens of Round Rock. With multiple contracts in place with the Brazos River Authority, the City has secured its water supply through expected buildout in 2050. Water from Lake Georgetown and Stillhouse Hollow Lake in the Brazos River Basin provide water to the City's current 52 million gallons per day (MGD) water treatment plant. The City also secured water from Lake Travis in the Lower Colorado River Basin. In order to treat water from Lake Travis, the City partnered with the Cities of Cedar Park and Leander to form the Brushy Creek Regional Utility Authority (BCRUA). The BCRUA system will ultimately pump and treat 105.6 MGD which meets all three Cities' supply needs through buildout. A deep-water intake and underground raw waterline tunnel contract was awarded in the summer of 2022 is on schedule to start construction and projected to be completed in 2027. The City's cost share in the project is budgeted at \$84.7 million.

In April 2024, the City's AAA bond rating on its general obligation debt was affirmed by S&P Global (S&P), the highest rating of creditworthiness. The City also maintains its AAA rating on its utility systems revenue debt and its BCRUA obligations. The City is one of only eight (8) cities in Texas with AAA bond ratings on both its general obligation and utility revenue debt. S&P notes these ratings "reflect[ed] a strong economy and maintenance of a strong financial position...(and) very strong management, with strong financial policies and practices."

Prospects for the Future

As we look to 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.

In June 2020, the Round Rock City Council adopted Round Rock 2030 as its comprehensive plan for the next decade. The nationally recognized award-winning plan was crafted over two years with extensive community input. The Round Rock 2030 establishes a set of land use and development policies, including a Future Land Use Map and location criteria for specific land uses. With the City's natural commercial attractiveness, a strong economic development plan, and a strengthening economy, projections for the future remain positive.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Round Rock, Texas for its annual comprehensive financial report for the fiscal year ended September 30, 2023. This was the **thirty-eighth consecutive year** that the City has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Round Rock also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2023, for the twenty-seventh consecutive year. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The GFOA also awarded the City a Certificate of Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended September 30, 2023. This award recognizes the City's ability to extract information from their annual comprehensive financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then to recognize individual governments that are successful in achieving that goal.

During fiscal year 2024, GFOA awarded the City the "Triple Crown" award which recognized Round Rock for receiving all three GFOA awards for fiscal year 2023: the Certificate of Achievement for Excellence in Financial Reporting Award; the Distinguished Budget Presentation Award; and the Certificate of Outstanding Achievement in Popular Annual Financial Reporting.

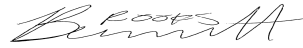
The City's investment policy was awarded the Certificate of Distinction by the Government Treasurers' Organization of Texas (GTOT) in June 2024. This is the fourth consecutive period the City has received this distinction. This certification recognizes the investment policy for meeting strict criteria in safeguarding the City's investments and is good for a two-year period.

The City of Round Rock has earned five Transparency Stars from the Texas Comptroller's Office recognizing the City's efforts to make information on the City's traditional finances, debt obligations, public pensions, economic development, and contracts and procurement transparent and readily available. In 2024 the Texas Comptroller introduced a new transparency star Open Government and Compliance, and the City was awarded the 6th and final star in January 2025.

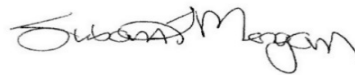
Round Rock's City Manager, Laurie Hadley, retired December 2024 after leading the City for nearly 14 years. Prior to her retirement, City Council appointed Brooks Bennett, former Assistant City Manager, to become the City Manager effective December 8, 2024. Brooks started his career with the City in 2004 and has served as one of Round Rock's Assistant City Managers since 2015.

The presentation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the Department who assisted and contributed to its presentation. Acknowledgment is also given to Whitley Penn, L.L.P. for their valuable assistance in the production of the report. We would also like to thank the Mayor and Council members for their commitment in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



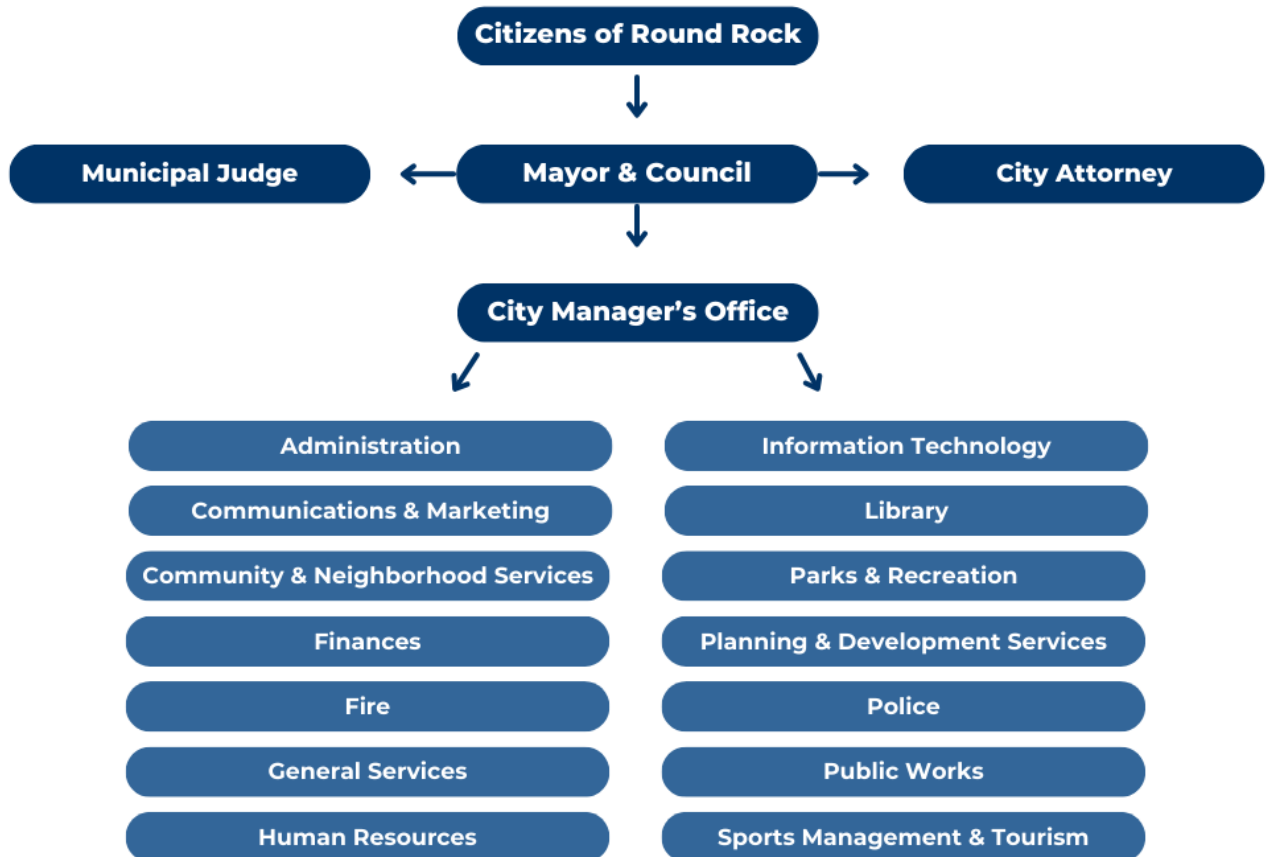
Brooks Bennett
City Manager



Susan L. Morgan, CPA
Chief Financial Officer



**CITY OF ROUND ROCK, TEXAS
CITY ORGANIZATIONAL CHART**





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Reporting

Presented to

**City of Round Rock
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrill



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of City Council
City of Round Rock, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Round Rock, Texas (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position, the respective budgetary comparison statements for the General Fund, Round Rock Transportation and Economic Development Corporation Fund, and Roadway Impact Fees Fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

To the Honorable Mayor and
Members of City Council
City of Round Rock, Texas

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, pension information, and other post-employment benefits information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Honorable Mayor and
Members of City Council
City of Round Rock, Texas

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and schedule of expenditures of federal awards 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 auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Austin, Texas
February 3, 2025



CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

The discussion and analysis of the City of Round Rock's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2024. It should be read in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City of Round Rock exceeded its liabilities and deferred inflows of resources at September 30, 2024, by \$1,345,131,974 (*net position*). Of this amount, \$889,266,619 (66.1%) is invested in capital assets. Net position restricted for specific purposes totals \$185,013,169 (13.8%). The remaining amount, \$270,852,186 (20.1%) (*unrestricted net position*) may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City of Round Rock's total net position increased by \$98,007,114. The increase can be attributed to \$67.4 million of operating and capital grants and contributions from both governmental and business-type activities. Grants and contributions decreased \$4.4 million compared to the previous year due to lower contributions from third parties and grants for road construction in fiscal year 2024 due to timing of projects. Total general revenues increased \$15.9 million. Year over year, property taxes increased \$7.7 million, sales tax was relatively stable with a decrease of \$1.0 million due to an audit adjustment of the Comptroller of Public Accounts that reduced fiscal year 2024 receipts by \$2.4 million as more fully described in Note IV (F) to the financial statements. Hotel Occupancy Tax decreased slightly by \$0.1 million, or 0.7%, due to moderating average daily room rates.
- As of the close of the current fiscal year, the City of Round Rock's governmental funds reported combined ending fund balances of \$342,740,190, an increase of \$33,356,256 in comparison to the prior year. The increase is due to capital grants and contributions combined with higher revenues including increases of \$7.7 million in property tax revenues and \$9.4 million in investment and other revenues. The increase in revenues was offset by an increase in expenditures of \$20.0 million compared to last year. The increase in expenditures is primarily related to capital project costs and personnel. *Unassigned fund balance* of \$73,794,519, or 21.5% of the total fund balance is *available for spending* at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$73,794,519, or 48.3% of the total General Fund expenditures. The City's fund balance policy requires the General Fund's fund balance to be a minimum of 25% of expenditures, or \$38,203,069. The General Fund's total fund balance, \$74,200,618, is 94.2% more than the fund balance policy requirement.
- The City of Round Rock's total debt increased by \$19,637,954 during the current fiscal year. In May 2024 the City issued \$19,495,000 voter approved general obligation debt, \$19,475,000 in certificates of obligation and \$7,565,000 in limited tax note debt offset by \$26 million of regularly scheduled debt principal retirements (Note IV (F) to the financial statements).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Round Rock's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Round Rock's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Round Rock is improving or deteriorating.

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal 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*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., unavailable tax revenues and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Round Rock that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City of Round Rock include water, wastewater, and stormwater utility and a golf course.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Round Rock, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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 the *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government'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 of Round Rock maintains 13 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, the Debt Service Fund, the Round Rock Transportation and Economic Development Corporation (RRTEDC) Fund, the Debt-Financed Capital Projects Fund, the Self-Financed Construction Fund, and Roadway Impact Fees Fund, all of which are considered to be major funds. Data from the other seven (7) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the report.

The Roadway Impact Fees Fund has been deemed a major fund for the current fiscal year. As a result, a restatement of fund balance recognizes that change in presentation.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Proprietary funds

The City of Round Rock 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, wastewater, and stormwater utility and for its golf course.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its self-funded health insurance program and funding of its other post-employment benefits (OPEB) liability as of September 30, 2024. The net income (loss) of the Internal Service Fund is allocated between governmental and business-type activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, wastewater, and stormwater utility and for the golf course. The water, wastewater, and stormwater utility is considered a major fund of the City. Since the Golf Course Fund is the only remaining enterprise fund, it is presented separately even though it does not meet the criteria of a major fund in GASB Statement No. 34. The Internal Service Fund is a single presentation in the proprietary fund financial statements.

Notes to the Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found beginning on page 102 of this report.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds and individual fund schedules are presented immediately following the notes to the financial statements.

Government-wide Financial Analysis

Net position is a useful indicator of a government's financial position. For the City of Round Rock, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,345,131,974 as of September 30, 2024.

The largest portion of the City's net position, \$889,266,619 (66.1%) reflects its investments in capital assets (e.g., land, buildings and improvements, improvements other than buildings, machinery and equipment, right-to-use lease equipment, right-to-use subscriptions, and construction in progress), less any spent and outstanding debt used to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in 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 capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$185,013,169 (13.8%) represents resources that are subject to external restriction on how they may be utilized. Restricted net position decreased \$11.8 million, or 6.0%, compared to the prior year. Restricted net position for the governmental activities decreased \$11.7 million, a result of a decrease in funds

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

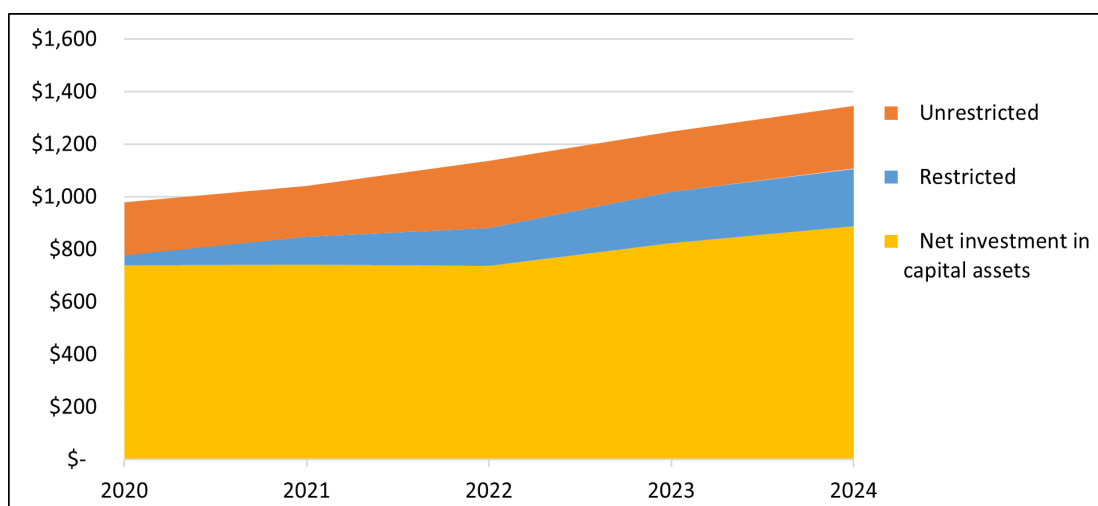
available for capital projects. The remaining balance is unrestricted net position of \$270,852,186 which may be used to meet the City's ongoing obligations to citizens and creditors.

As of September 30, 2024, and 2023, the City has positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

**Net Position
(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 395,302	\$ 359,561	\$ 254,785	\$ 245,993	\$ 650,087	\$ 605,554
Capital assets	883,460	820,576	447,490	423,025	1,330,950	1,243,601
Total assets	1,278,762	1,180,137	702,275	669,018	1,981,037	1,849,155
Deferred outflows of resources	31,633	43,004	7,215	9,073	38,848	52,077
Long term liabilities	481,182	462,152	67,743	72,910	548,925	535,062
Other liabilities	89,376	83,999	30,379	31,148	119,755	115,147
Total liabilities	570,558	546,151	98,122	104,058	668,680	650,209
Deferred inflows of resources	5,414	3,552	660	347	6,074	3,899
Net position:						
Net investment in capital assets	499,732	461,229	389,534	361,729	889,266	822,958
Restricted	174,686	186,392	10,327	10,428	185,013	196,820
Unrestricted	60,005	25,817	210,848	201,529	270,853	227,346
Total net position	\$ 734,423	\$ 673,438	\$ 610,709	\$ 573,686	\$ 1,345,132	\$ 1,247,124

**Total Net Position
Governmental & Business-Type Activities
(in millions)**



CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

Analysis of Changes in Net Position

The table below summarizes the changes in the City's net position from its activities for the fiscal year ended September 30, 2024, with comparisons to the previous year.

	Changes in Net Position (in thousands)					
	Governmental		Business-Type		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 13,343	\$ 14,439	\$ 69,827	\$ 72,166	\$ 83,171	\$ 86,605
Operating grants and contributions	4,045	4,950	2,734	308	6,779	5,258
Capital grants and contributions	22,421	27,815	38,165	38,688	60,586	66,503
General revenues:						
Property taxes	81,719	74,006	-	-	81,719	74,006
Franchise taxes	7,868	8,018	-	-	7,868	8,018
Sales tax	103,712	104,714	-	-	103,712	104,714
Hotel occupancy tax	16,928	17,048	-	-	16,928	17,048
Public service taxes	1,199	1,158	-	-	1,199	1,158
Investment earnings and other	36,092	31,393	11,735	7,004	47,827	38,397
Total revenues	<u>287,327</u>	<u>283,541</u>	<u>122,461</u>	<u>118,166</u>	<u>409,789</u>	<u>401,707</u>
Expenses:						
General government	48,574	48,259	-	-	48,574	48,259
Public safety	85,294	78,793	-	-	85,294	78,793
Public works	47,492	46,225	-	-	47,492	46,225
Culture and recreation	39,500	34,899	-	-	39,500	34,899
Interest on long-term debt	10,636	11,000	-	-	10,636	11,000
Issuance costs	731	-	-	-	731	-
Water and wastewater utility	-	-	75,164	68,229	75,164	68,229
Golf course	-	-	4,390	4,104	4,390	4,104
Total expenses	<u>232,227</u>	<u>219,176</u>	<u>79,554</u>	<u>72,333</u>	<u>311,781</u>	<u>291,509</u>
Increases in net position before transfers	55,099	64,365	42,907	45,833	98,008	110,198
Transfers	5,885	5,605	(5,885)	(5,605)	-	-
Increase in net position	60,984	69,970	37,022	40,228	98,008	110,198
Net position - beginning	673,439	603,469	573,687	533,459	1,247,126	1,136,928
Net position - ending	<u>\$ 734,423</u>	<u>\$ 673,439</u>	<u>\$ 610,710</u>	<u>\$ 573,687</u>	<u>\$ 1,345,134</u>	<u>\$ 1,247,126</u>

Governmental Activities

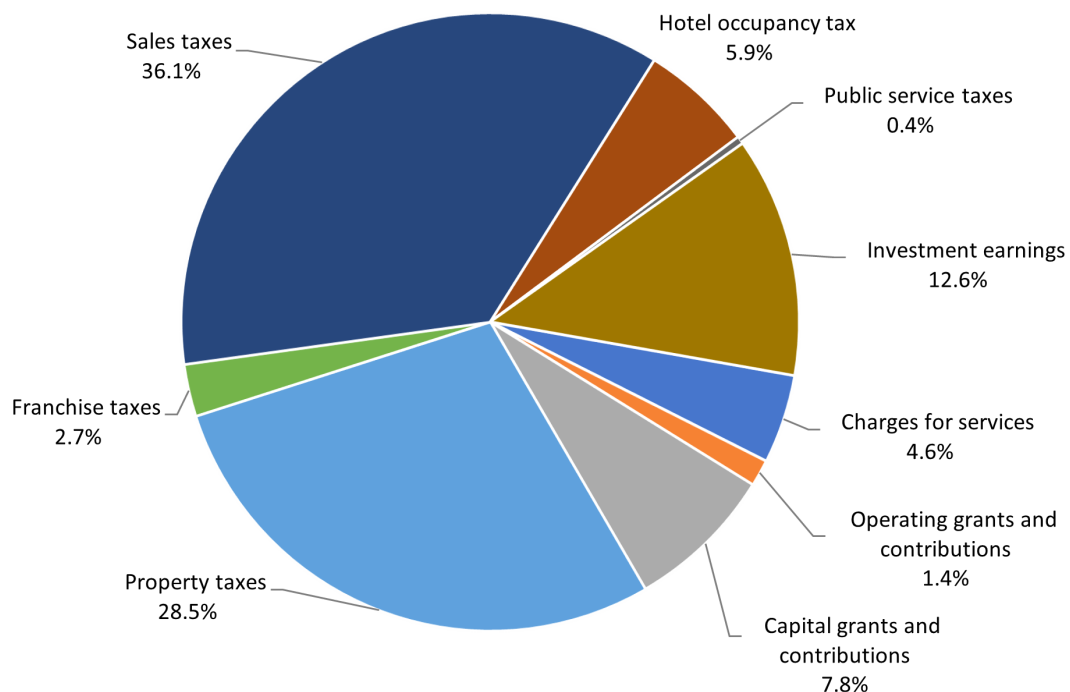
During the current fiscal year, governmental activities increased the City's net position by \$60,984,656 or 62.2% of the total increase in the net position of the City over the prior year. Key factors for the increase in net position are as follows:

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Revenues

- Amounts received for property taxes increased from last year by 10.4% due primarily to \$609 million in new taxable property and a 8.6% increase in the property tax rate. The fiscal year 2024 tax rate of \$0.342 is 8.1% above the no-new-revenue rate of \$0.316334. Property tax makes up 33.0% of total general revenues.
- Sales tax collections of \$103.7 million was a 1.0%, decrease compared to prior year. Dell remains one of the City's top sales taxpayers for fiscal year 2024. Despite modest increases in the underlying growth in taxable sales, sales tax receipts declined slightly due to \$2.4 million in repayments to the Comptroller of Public Accounts for an audit of one City sales taxpayer for prior year overpayments.
- Hotel occupancy tax (HOT) revenues totaled \$16.9 million compared to \$17.0 million in the prior year, down 0.7% from the prior year. The slight decrease is due to stable room counts with slightly decreasing average daily room rates (ADRs) after notable increases in ADRs in 2023.
- Charges for services decreased \$1.1 million, or 0.8% below the prior year. The decrease was due to lower subdivision development fee collections. Development across the City declined in 2024 due to changes in market conditions and other economic factors. The decrease was partially offset by increases in demand for services in the City's recreation programs and pool facilities.
- Grants and contribution revenues decreased \$6.3 million over the prior year. The decrease is due to lower reimbursements from grant program one-time receipts in the prior year and lower capital contributions from slowing new residential development.
- Unrestricted investment earnings and other general revenues increased \$4.7 million. The increase can be attributed to rising investment interest rates.

Revenues by Type - Governmental Activities



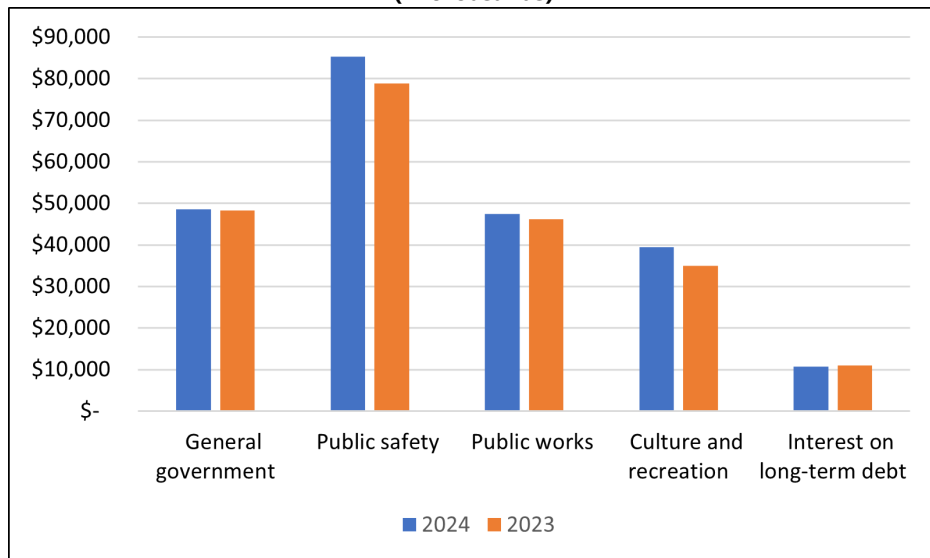
**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Expenses

Expenses for governmental activities for the City totaled \$232,228,186 for the year ended September 30, 2024. Significant factors are listed below:

- General government costs increased \$0.3 million (0.7%) from \$48.3 million in 2023 to \$48.6 million in 2024. The \$6.1 million increase in 2024 operating costs was offset by a decrease in capital asset additions and lower pension liability adjustment.
- Public safety program costs including police and fire department activities totaled \$85.3 million, or 36.7% of total expenses for governmental activities. Total costs increased 8.3% over the prior year, due largely to personnel costs from new public safety positions and public safety salary increases.
- Public works program costs increased \$1.3 million, or 2.7%, compared to prior year. The increase is primarily a result of increased salary expenses.
- Culture and recreation increased \$4.6 million (13.2%) from \$34.9 million in 2023 to \$39.5 million. This increase is due to salary expenses, expansions and expenses associated with increased special events and programs and a full year of operations for the new Round Rock Public Library.

**Expenses - Governmental Activities
(in thousands)**



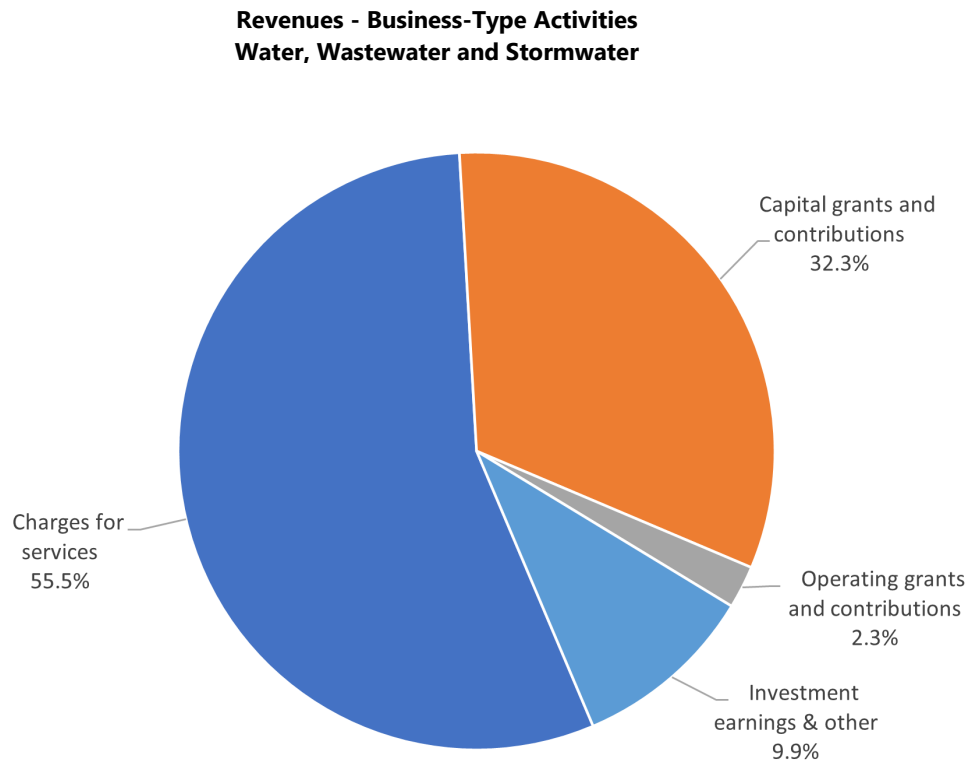
**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Business-Type Activities

Business-type activities increased the City's net position by \$37,022,458 or 37.8% of the total growth in the net position of the City over the prior year. This increase can be attributed to \$40.9 million in operating and capital grants and contributions. Additionally, charges for services were down \$2.3 million, due to a milder, wetter summer and expenses increased by \$7.2 million over the prior year. Key factors for the increase in net position are as follows:

Revenues

Water revenues are highly impacted by weather fluctuations. The milder summer conditions resulted in lower water revenues. Planned uses of impact fees and rate revenues have allowed current rates to remain stable while still providing adequate times coverage of utility bonded debt service. Small rate increases in water, wastewater and stormwater are scheduled for fiscal years 2025 through 2027 due to planned capital infrastructure projects.



**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

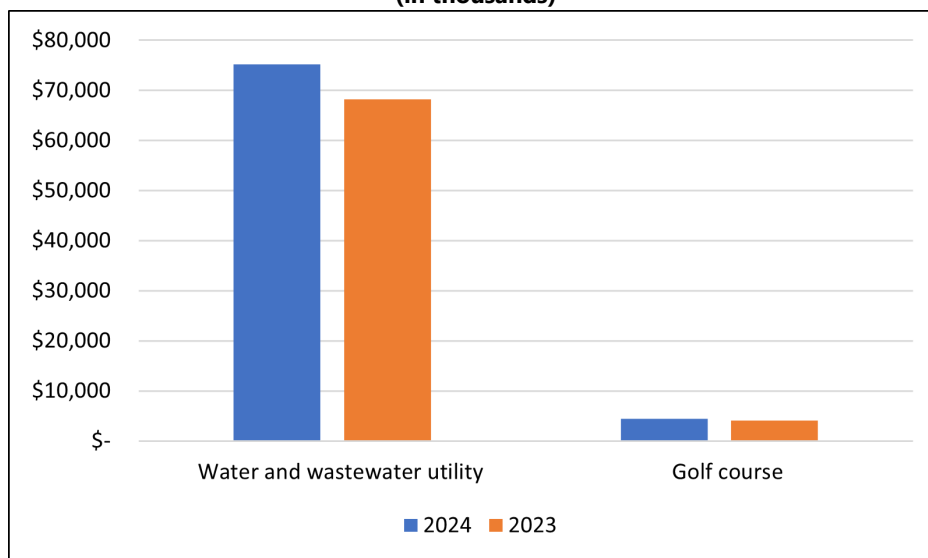
Comparative data for the past two fiscal years is presented as follows:

	2024	2023
Operating revenues	\$ 65,400,556	\$ 68,264,956
Operating income (loss)	(7,592,363)	2,368,005
Income available for debt service	32,511,627	33,664,516
Annual debt service	5,948,181	5,956,631
Coverage	5.47	5.65

Expenses

Expenses of the business-type activities increased \$7.2 million over the prior year due to increased personnel costs to keep up with market as well as lower position vacancy rates; increased contractual services expense due to litigation and consulting costs associated with the City's wholesale water and wastewater rate litigation; and higher depreciation and amortization expense.

**Expenses - Business-Type Activities
(in thousands)**



Financial Analysis of the Government's Funds

As noted earlier, the City of Round Rock uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

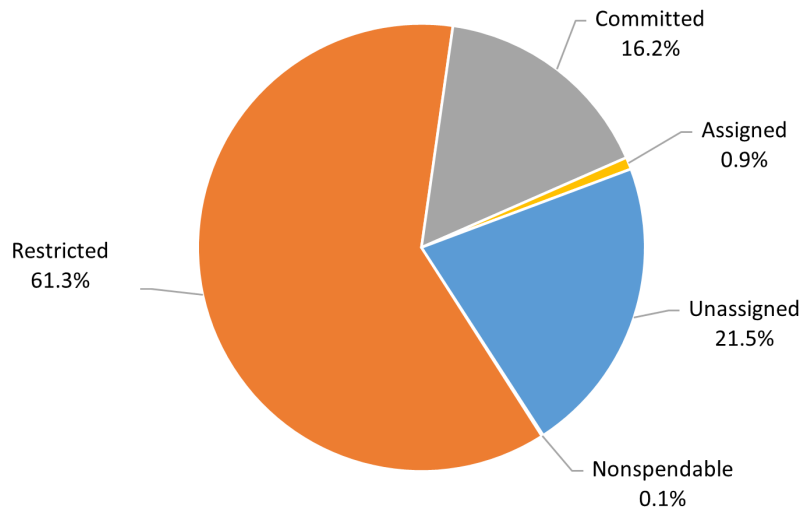
The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

For the fiscal year ended September 30, 2024, the City's governmental funds reported combined ending fund balances of \$342,740,190. This is an increase of \$33.4 million, or 10.8% change from the prior year. Unassigned fund balance is \$73,794,519, or approximately 21.5% of the total fund balance amount, is available for spending at the City's discretion. \$2,989,436 is assigned to culture and recreation while \$55,443,165 of the fund balance is committed to either capital projects or special revenue projects/programs. The remainder of fund balance is restricted or non-spendable to indicate that it is not available for new spending because it has already been restricted to 1) pay debt service of \$7,804,285, 2) fund authorized construction of \$181,119,801, 3) other restricted purposes of \$21,182,885 or 4) non-spendable of \$406,099.

Fund Balance Type - Governmental Funds



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 \$74,200,618, of which \$73,794,519, or 99.5% 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 48.3% of total general fund expenditures.

During the current fiscal year, the fund balance of the General Fund increased by \$10,501,265 due primarily to savings in salary and other budgeted costs with a modest increase in revenue over budget. The General Fund's total revenues increased \$10,870,521 and exceeded the budget by \$1,823,996 primarily from higher electric franchise fees, increased recreation revenues due to higher demand for programs, and higher interest income due to rising interest rates. The increase in revenues was offset by an increase in expenditures totaling \$14,595,678, a result of 37 new General Fund positions added in 2024; salary increases to keep up with market and cost of living; and increases in overall operating costs.

The Debt Service Fund had a total fund balance of \$5,421,856 at the end of the fiscal year, all of which is restricted for the payment of debt service. Fund balance increased during the year by \$1,311,744. Debt service expenditure requirements increased by \$3,990,331 during the fiscal year and were adequately funded by the debt service portion of the property tax rate and other contributions.

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

The fund balance of the RRTEDC Fund was \$171,686,223, an increase of \$46,871,958 compared to the prior year. The increase can be attributed to the change in market conditions on investment earnings as well as an increase in reimbursements for related capital project expenses.

The fund balance of the Debt-Financed Capital Projects Fund was \$9,429,747, a decrease of \$26,721,315 compared to the prior year as planned projects were constructed.

The fund balance of the Self-Financed Construction Fund was \$51,812,417, an increase of \$4,535,388 compared to the prior year. Sales tax revenues contributed to the fund were \$11.0 million, up slightly from the prior year by \$1.0 million. The City has policies to limit General Fund dependency on sales tax by (1) limiting the percentage of general fund expenditures paid by sales tax to 45% and (2) limiting General Fund sales tax received from Dell to 15%. The balance is deposited in the General Self-Financed Construction Fund for pay-as-you-go, one-time capital expenditures. Capital project expenditures paid by this fund increased by \$4.4 million.

The fund balance of the Roadway Impact Fees Fund fluctuates based on interest earned on cash funds that represent unearned revenues.

Enterprise Funds

The City's enterprise fund statements provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the fiscal year, total net position of the enterprise funds totaled \$608,920,562, an increase of \$36,855,918 over the prior year. Unrestricted net position of the funds totaled \$209,059,310 at September 30, 2024. The unrestricted net position represented 34.3% of the enterprise funds' total net position.

The Water and Wastewater Fund's net position increased \$36,868,620 over the prior year primarily due to an increase in contributed infrastructure. Operating revenues totaled \$65,400,556, compared to \$68,264,956 in the prior year due to milder, wetter conditions in 2024 that resulted in lower water revenues. Operating expenses were \$72,992,919, an increase of \$7,095,968 over the prior year. The increase is a result of fewer personnel vacancies, as well as higher chemical costs and repairs.

The Golf Course Fund ended the year with a net position of \$11,744,651. Operating revenues totaled \$4,259,813, a 13.1% increase for the year, compared to \$3,765,883 in the prior year. Operating expenses were \$4,388,977, which is \$284,883 higher than the previous year. Milder weather conditions in 2024 resulted in more rounds being played resulting in higher revenues and slightly higher operating costs.

General Fund Budgetary Highlights

One budget amendment was taken to City Council for the General Fund for the year ended September 30, 2024. The budget amendment increased funding in the Parks and Recreation Department to increase summer seasonal staffing and upgrade 3 part-time employees to full-time status due to increased demands that were offset by the resulting increase in programs revenues.

Capital Assets and Debt Administration

Capital Assets

The City of Round Rock's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounted to \$1,330,949,726 (net of accumulated depreciation/amortization). This investment includes land,

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

buildings and improvements (including infrastructure), machinery and equipment, right-to-use lease equipment, right-to-use subscriptions and construction in progress.

Major capital asset events for the year ended September 30, 2024, included the following:

Downtown Improvements

- Construction is underway on the Griffith Building Remodel and new Paseo with \$6.3 million spent to date.
- Design and land acquisition is underway on the Lawn at Brushy Creek with \$3.7 million spent to date.
- Design is underway on the Town Green with \$254,000 spent to date.

Facility Improvements

- City facility improvements were completed at a cost of \$1.2 million.
- Information technology infrastructure upgrades were completed at a cost of \$713,000.
- Construction is underway on the new Fire Station #1 with \$9.1 million spent to date.
- Design is underway on the Public Safety Training Center Driving Track and Classroom Expansion with \$537,000 spent to date.
- Construction is underway on the Sports Center Expansion with \$4.4 million spent to date.
- Construction is underway on the Dell Diamond Renovation & Expansion with \$3.9 million spent to date.
- Design is under on the Multipurpose Sports Complex Expansion with \$641,000 spent to date.

Park Improvements and Trails

- Design is underway on multiple Old Settlers Park Improvements projects with \$4.8 million spent to date. These projects include the Lakeview Pavillion, Rock'N River Expansion, New Recreation Center, Track and Fields, Maintenance Yard, and Tennis and Pickleball Courts and are part of the 2023 voter approved bond program.
- Design is underway on improvements to Old Settlers Park's main roadway, Harrell Parkway, with \$2.1 million spent to date.
- Expansion of other citywide trails is underway with \$27.1 million spent to date.
- Additional park and facility improvements were completed at a cost of \$3.1 million.

Transportation Improvements

- Major arterial, signal, and road projects for transportation are underway and at various stages of completion. Completed projects totaled \$30.2 million while construction in progress at year-end approximated \$50.7 million.
- Various neighborhood street improvement projects were completed at a cost of \$6.2 million.
- Developers contributed \$13.0 million for transportation infrastructure improvements.

Water, Wastewater, and Stormwater Improvements

- Various water and wastewater system improvement projects were completed and placed in service at a cost of \$11.0 million and similar projects were in progress with \$22.1 million spent to date.
- Various additional stormwater improvement projects were completed at a cost of \$1.5 million and similar projects are in process with \$1.7 million spent to date.
- Developers contributed \$32.4 million for water, wastewater, and stormwater system infrastructure improvements.

CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

Capital Assets
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 136,538	\$ 124,457	\$ 9,523	\$ 9,463	\$ 146,061	\$ 133,920
Buildings and improvements	1,151,007	1,117,465	703,555	658,277	1,854,562	1,775,742
Machinery and equipment	111,299	103,496	21,819	19,778	133,118	123,274
Right-to-use lease equipment	773	902	496	214	1,269	1,116
Right-to-use subscription assets	9,365	8,726	-	-	9,365	8,726
Accumulated depreciation/amortization	(639,119)	(608,110)	(318,184)	(292,937)	(957,303)	(901,047)
Construction in progress	113,597	73,640	30,281	28,230	143,878	101,870
Total	<u>\$ 883,460</u>	<u>\$ 820,576</u>	<u>\$ 447,490</u>	<u>\$ 423,025</u>	<u>\$ 1,330,950</u>	<u>\$ 1,243,601</u>

Additional information on the City of Round Rock's capital assets can be found in Note IV (E) to the financial statements.

Long-Term Debt

At the end of the current fiscal year, the City of Round Rock had total debt outstanding of \$464,699,916. Of this amount, \$331,328,278 comprises debt backed by the full faith and credit of the City. The remainder of the City's debt is secured solely by specified revenue sources (i.e., revenue bonds).

During the current fiscal year, the City of Round Rock's total debt increased by \$26,120,938. Regularly scheduled debt principal was retired during 2024. The City also issued \$19,495,000 in general obligation bonds, series 2024; \$19,475,000 in certificates of obligation bonds, series 2024; and \$7,565,000 in limited tax notes, series 2024. Details of the new bond issues can be found in Note IV (F) to the financial statements.

Long-Term Debt
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 158,870	\$ 149,840	\$ -	\$ -	\$ 158,870	\$ 149,840
Certificates of obligation	155,955	143,025	-	-	155,955	143,025
Limited tax notes	10,885	5,155	-	-	10,885	5,155
Hotel tax revenue bonds	6,040	6,720	-	-	6,040	6,720
Sales tax revenue bonds	37,065	39,035	-	-	37,065	39,035
State infrastructure bank loan	27,000	27,000	-	-	27,000	27,000
Notes payable	-	601	-	-	-	601
Excess sales tax liability	6,624	-	-	-	6,624	-
Leases	298	503	467	53	765	556
Subscriptions	5,321	6,787	-	-	5,321	6,787
Water and wastewater revenue bonds	-	-	56,175	59,860	56,175	59,860
Total	<u>\$ 408,058</u>	<u>\$ 378,666</u>	<u>\$ 56,642</u>	<u>\$ 59,913</u>	<u>\$ 464,700</u>	<u>\$ 438,579</u>

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

The City of Round Rock benefits substantially in reduced interest costs resulting from the bond rating by Standard & Poor's of AAA for both General Obligation and the Utility Revenue bonds.

There is no direct debt limitation in the City Charter or under state law. The City operates under a Home Rule Charter (Article XI, Section 5, Texas Constitution), approved by the voters, that limits the maximum tax rate, for all City purposes to \$2.50 per \$100 assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of up to \$1.50 of the \$2.50 maximum tax rate for general obligation debt service. The revenues from this maximum tax rate would be sufficient to cover the debt service on over \$4.1 billion of bonds. Of the maximum tax rate for debt service of \$1.50, the City uses \$0.1035, or 6.9%. Of \$82,116,022 levied in property taxes for the fiscal year ended September 30, 2024, 99.56% of taxes levied were collected during the fiscal year. The City is conservative in how it issues debt and has adopted a "pay as you go" philosophy by using excess cash funds to fund current projects and issuing debt only when deemed necessary.

Additional information on the City's long-term debt can be found in Note IV (F) to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The development of the City's budget is guided by several factors including the Council's Strategic Goals, prevailing economic conditions, and the continuing need to provide basic and improved customer services for a growing population. The fiscal year 2024-2025 budget adopted by the City Council adheres to the City's financial policies and preserves the City's strong financial position while providing excellent levels of service. During the creation of the 2024-2025 budget process the City Manager and Executive team focused on various budget drivers in the decision-making process.

- Addressing Council's Strategic Goals
- Meeting the demands of growth with additions to maintain service levels
- Biennial citizen survey results
- Debt payments for new programs
- Competitive employee compensation and benefits
- Maintenance of parks, facilities, and streets
- Compliance with financial policies
- Inflation impacting both wage and operating costs

Revenue assumptions, in general for fiscal year 2024-2025, have been built based on a slowing but strong economy impacting sales tax revenue growth and rising interest rates that have slowed development.

The City's economy is expected to generate approximately \$110.8 million in sales tax revenue for fiscal year 2025. This amount includes the 0.5%, or \$30.1 million, in additional sales and use tax for roads and economic development. The remaining 1.5% is projected to generate \$80.7 million for general operations, property tax reduction, and capital projects.

The fiscal year 2025 (tax year 2024), certified taxable property value for Round Rock is \$25.3 billion, an increase of 5.0% from last year's \$24.1 billion. The adopted property tax rate for fiscal year 2025 is \$0.36 per \$100 of valuation. The tax rate is an increase of 2.9 cents over the no-new-revenue rate of \$0.331466, and below the voter approval rate of \$0.360205. The 2.9 cent increase over the no-new-revenue tax rate allows the City to provide funding for debt payments for general obligation bonds issued in 2024 and approved by voters in May 2023; 17 new public safety positions to keep up with growth and staff voter approved bond projects, and additional staffing in parks and recreation related to voter approved bond projects. With an adopted rate of \$0.36, the City continues to have the lowest tax rate in Central Texas and is among the lowest rates in the state for medium-sized cities.

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

The Water and Wastewater Utility operations are funded primarily through user fees. The City's utility infrastructure and service delivery systems have been carefully planned and have sufficiently met demand for a growing customer base. Water sales are conservatively estimated using customer base projections, while at the same time taking into account changing weather conditions. Water conservation and drought contingency programs continue to help the City conserve existing water sources. There are rate increases for retail water (5%), wastewater (2%), and stormwater (14%) budgeted for fiscal year 2025. The City has not increased retail water rates since October 2018, retail wastewater rates since 2016, and stormwater rates since 2014 to pay for planned infrastructure expansions.

Requests for Information

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer, City of Round Rock, 221 East Main Street, Round Rock, Texas 78664.



BASIC FINANCIAL STATEMENTS

CITY OF ROUND ROCK, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 39,575,116	\$ 51,029,353	\$ 90,604,469
Investments	138,807,776	128,279,373	267,087,149
Receivables (net of allowance for uncollectibles)-			
Property taxes	487,743	-	487,743
Accounts and other	10,818,420	22,228,596	33,047,016
Accrued interest	946,232	3,998,049	4,944,281
Intergovernmental	-	3,536,418	3,536,418
Grants	225,139	84,120	309,259
Interfund	(1,769,689)	1,769,689	-
Inventories	321,519	946,044	1,267,563
Prepaid items	1,222,879	666,745	1,889,624
Restricted assets -			
Cash and cash equivalents	80,063,995	3,551,918	83,615,913
Investments	121,307,983	7,894,397	129,202,380
Property tax receivable	273,349	-	273,349
Accounts and other	2,097,162	-	2,097,162
Accrued interest	924,682	53,797	978,479
Investment in joint venture	-	30,728,186	30,728,186
Capital assets -			
Land and construction in progress	250,135,410	39,803,770	289,939,180
Capital assets, net of accumulated depreciation/amortization	633,324,542	407,686,004	1,041,010,546
Total assets	<u>1,278,762,258</u>	<u>702,256,459</u>	<u>1,981,018,717</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refundings	135,134	3,170,364	3,305,498
Deferred outflows related to pensions	29,901,845	3,920,455	33,822,300
Deferred outflows related to OPEB	1,595,998	211,775	1,807,773
Total deferred outflows of resources	<u>31,632,977</u>	<u>7,302,594</u>	<u>38,935,571</u>

The accompanying notes are an integral part of this financial statement.

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 24,507,795	\$ 13,705,215	\$ 38,213,010
Accrued payroll	6,262,687	973,038	7,235,725
Unearned revenue	20,619,860	8,944,492	29,564,352
Accrued interest payable	2,125,891	348,722	2,474,613
Customer deposits	-	1,215,947	1,215,947
Due within one year			
Bonds, notes, leases, compensated absences	35,859,524	5,172,946	41,032,470
Due in more than one year			
Net pension liability	61,797,397	8,335,668	70,133,065
Total OPEB liability	17,382,047	2,363,438	19,745,485
Bonds, notes, leases, compensated absences	402,002,855	57,043,383	459,046,238
Total liabilities	570,558,056	98,102,849	668,660,905
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	667,111	87,466	754,577
Deferred inflows related to OPEB	4,747,008	659,824	5,406,832
Total deferred inflows of resources	5,414,119	747,290	6,161,409
NET POSITION			
Net investment in capital assets	499,732,191	389,534,428	889,266,619
Restricted for -			
Debt service	8,079,032	128,545	8,207,577
Capital projects	145,424,428	10,198,279	155,622,707
Hotel-motel tax	18,531,461	-	18,531,461
Public safety	1,071,385	-	1,071,385
General government	1,580,039	-	1,580,039
Unrestricted	60,004,524	210,847,662	270,852,186
Total net position	\$ 734,423,060	\$ 610,708,914	\$ 1,345,131,974

CITY OF ROUND ROCK, TEXAS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 48,573,651	\$ 3,596,694	\$ 3,967,000	\$ -
Public safety	85,295,488	1,494,261	24,496	-
Public works	47,492,344	427,679	-	19,730,425
Culture and recreation	39,499,859	7,824,051	53,637	2,690,382
Interest on long-term debt	10,635,859	-	-	-
Issuance costs	730,985	-	-	-
Total governmental activities	232,228,186	13,342,685	4,045,133	22,420,807
Business-type activities:				
Water and wastewater utility	75,163,447	65,567,096	2,734,262	38,165,493
Golf course	4,390,104	4,259,813	-	-
Total business-type activities	79,553,551	69,826,909	2,734,262	38,165,493
Total primary government	\$ 311,781,737	\$ 83,169,594	\$ 6,779,395	\$ 60,586,300

The accompanying notes are an integral part of this financial statement.

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Governmental activities:			
General government	\$ (41,009,957)	\$ -	\$ (41,009,957)
Public safety	(83,776,731)	-	(83,776,731)
Public works	(27,334,240)	-	(27,334,240)
Culture and recreation	(28,931,789)	-	(28,931,789)
Interest on long-term debt	(10,635,859)	-	(10,635,859)
Issuance costs	(730,985)	-	(730,985)
Total governmental activities	(192,419,561)	-	(192,419,561)
Business-type activities:			
Water and wastewater utility	-	31,303,404	31,303,404
Golf course	-	(130,291)	(130,291)
Total business-type activities	-	31,173,113	31,173,113
Total primary government	(192,419,561)	31,173,113	(161,246,448)
General revenues:			
Taxes:			
Property taxes, levied for general purpose	56,951,929	-	56,951,929
Property taxes, levied for debt service	24,767,280	-	24,767,280
Franchise taxes	7,868,254	-	7,868,254
Sales taxes	103,711,976	-	103,711,976
Hotel occupancy tax	16,927,611	-	16,927,611
Public service taxes	1,198,532	-	1,198,532
Unrestricted investment earnings and other	36,093,335	11,734,645	47,827,980
Transfers	5,885,300	(5,885,300)	-
Total general revenues and transfers	253,404,217	5,849,345	259,253,562
Change in net position	60,984,656	37,022,458	98,007,114
Net position-beginning	673,438,404	573,686,456	1,247,124,860
Net position-ending	\$ 734,423,060	\$ 610,708,914	\$ 1,345,131,974

CITY OF ROUND ROCK, TEXAS
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2024

	General Fund	Debt Service Fund	Round Rock Transportation and Economic Development Corporation Fund
ASSETS			
Cash and cash equivalents	\$ 17,300,165	\$ -	\$ -
Investments	60,665,702	-	-
Receivables (net of allowance for uncollectibles) -			
Property taxes, including interest and penalties	487,743	-	-
Accounts and other	7,699,516	-	1,933,752
Accrued interest	505,472	-	-
Interfund	5,422	-	2,542,573
Grants	151,125	-	-
Inventories	321,519	-	-
Prepaid items	84,580	-	-
Restricted assets -			
Cash and cash equivalents	1,033,713	5,428,676	57,122,280
Investments	-	-	112,597,680
Receivables -			
Property taxes, including interest and penalties	-	273,349	-
Sales tax	-	-	2,097,162
Accrued interest	-	-	887,035
Total assets	<u>\$ 88,254,957</u>	<u>\$ 5,702,025</u>	<u>\$ 177,180,482</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities -			
Accounts payable	\$ 6,490,246	\$ -	\$ 5,069,641
Accrued payroll	6,085,378	-	-
Interfund payables	-	5,422	-
Unearned revenue	990,970	-	424,618
Total liabilities	<u>13,566,594</u>	<u>5,422</u>	<u>5,494,259</u>
Deferred inflows of resources -			
Unavailable revenue - property taxes	487,745	274,747	-
Total deferred inflows of resources	<u>487,745</u>	<u>274,747</u>	<u>-</u>
Fund balances -			
Nonspendable	406,099	-	-
Restricted - debt service	-	5,421,856	2,382,429
Restricted - authorized construction	-	-	169,303,794
Restricted - hotel-motel tax	-	-	-
Restricted - public safety	-	-	-
Restricted - general government	-	-	-
Committed - general government	-	-	-
Committed - capital projects funds	-	-	-
Committed - culture and recreation	-	-	-
Assigned - culture and recreation	-	-	-
Unassigned	73,794,519	-	-
Total fund balances	<u>74,200,618</u>	<u>5,421,856</u>	<u>171,686,223</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 88,254,957</u>	<u>\$ 5,702,025</u>	<u>\$ 177,180,482</u>

The accompanying notes are an integral part of this financial statement.

Debt-Financed Capital Projects Fund	Self-Financed Construction Fund	Roadway Impact Fees Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 13,265,083	\$ -	\$ 6,037,572	\$ 36,602,820
-	46,540,371	-	21,173,437	128,379,510
-	-	-	-	487,743
-	-	-	1,154,517	10,787,785
-	185,813	-	186,840	878,125
-	18,663	-	-	2,566,658
-	-	-	74,013	225,138
-	-	-	-	321,519
509,294	119,992	-	-	713,866
13,996,687	-	1,621,678	860,962	80,063,996
-	-	5,689,632	3,020,671	121,307,983
-	-	-	-	273,349
-	-	-	-	2,097,162
-	-	37,647	-	924,682
<u>\$ 14,505,981</u>	<u>\$ 60,129,922</u>	<u>\$ 7,348,957</u>	<u>\$ 32,508,012</u>	<u>\$ 385,630,336</u>

\$ 2,533,661	\$ 8,317,505	\$ -	\$ 878,090	\$ 23,289,143
-	-	-	177,309	6,262,687
2,542,573	-	-	-	2,547,995
-	-	6,728,262	1,883,979	10,027,829
<u>5,076,234</u>	<u>8,317,505</u>	<u>6,728,262</u>	<u>2,939,378</u>	<u>42,127,654</u>
-	-	-	-	762,492
-	-	-	-	762,492
-	-	-	-	406,099
-	-	-	-	7,804,285
9,429,747	-	620,695	1,765,565	181,119,801
-	-	-	18,531,461	18,531,461
-	-	-	1,071,385	1,071,385
-	-	-	1,580,039	1,580,039
-	-	-	1,343,048	1,343,048
-	51,812,417	-	804,645	52,617,062
-	-	-	1,483,055	1,483,055
-	-	-	2,989,436	2,989,436
-	-	-	-	73,794,519
<u>9,429,747</u>	<u>51,812,417</u>	<u>620,695</u>	<u>29,568,634</u>	<u>342,740,190</u>
<u>\$ 14,505,981</u>	<u>\$ 60,129,922</u>	<u>\$ 7,348,957</u>	<u>\$ 32,508,012</u>	<u>\$ 385,630,336</u>

CITY OF ROUND ROCK, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Total Fund Balances - Governmental Funds \$ 342,740,190

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

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

Land	\$	136,538,377	
Construction in progress		113,597,033	
Building and improvements		1,151,006,940	
Equipment and right-to-use assets		121,436,902	
Accumulated depreciation/amortization		(639,119,300)	
Total capital assets	\$	883,459,952	883,459,952

Deferred amounts on refundings are deferred outflows of resources and, therefore, are not reported in the funds. 135,134

Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.

Deferred outflows - pension related	\$	29,901,845	
Deferred outflows - OPEB related		1,595,998	
Deferred inflows - pension related		(667,111)	
Deferred inflows - OPEB related		(4,747,008)	
	\$	26,083,724	26,083,724

Property tax revenues collected in advance of the fiscal year to which they apply are recorded as deferred inflows of resources in the funds and recognized as revenue of the period to which they apply. 762,492

Internal service funds are used by management to charge the costs of self-funded insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. 11,001,331

Unearned revenue associated with long-term economic development agreements are not a current financial resource and, therefore, are not reported in the funds. (10,592,049)

Accrued interest payable in the governmental funds are not recognized because they are not paid within the prescribed time period after year end. (2,125,891)

Some long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. They are detailed in Note III (A). (517,041,823)

Net Position of Governmental Activities \$ 734,423,060

The accompanying notes are an integral part of this financial statement.



**CITY OF ROUND ROCK, TEXAS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2024**

	General Fund	Debt Service Fund	Round Rock Transportation and Economic Development Corporation Fund
Revenues -			
Taxes and franchise, including interest and penalties	\$ 135,160,453	\$ 24,646,584	\$ 29,991,589
Licenses, permits and fees	2,620,586	-	-
Charges for services	6,163,411	-	-
Fines and forfeitures	1,062,649	-	-
Intergovernmental	2,951,528	-	-
Hotel occupancy tax	-	-	-
Contributions	-	-	4,257,712
Investment and other	9,772,742	1,058,819	9,548,678
Total revenues	<u>157,731,369</u>	<u>25,705,403</u>	<u>43,797,979</u>
Expenditures -			
Current -			
General government	29,881,975	-	2,376,032
Public safety	78,375,956	-	-
Public works	19,915,678	-	426,574
Culture and recreation	21,907,441	-	-
Debt service -			
Principal retirement	2,537,315	22,104,512	-
Interest and fiscal charges	193,909	11,010,808	-
Issuance costs	-	-	-
Capital projects	-	-	32,192,440
Total expenditures	<u>152,812,274</u>	<u>33,115,320</u>	<u>34,995,046</u>
Excess (deficiency) of revenues over expenditures	<u>4,919,095</u>	<u>(7,409,917)</u>	<u>8,802,933</u>
Other financing sources (uses) -			
Issuance of debt/leases/SBITA	701,304	-	-
Issuance of premium	-	-	-
Transfers in	7,250,300	8,721,661	43,284,136
Transfers out	(2,369,434)	-	(5,215,111)
Total other financing sources (uses)	<u>5,582,170</u>	<u>8,721,661</u>	<u>38,069,025</u>
Net change in fund balances	<u>10,501,265</u>	<u>1,311,744</u>	<u>46,871,958</u>
Fund balances, October 1, 2023, as previously reported	63,699,353	4,110,112	124,814,265
Change within financial reporting entity (nonmajor to major fund)	-	-	-
Fund balances, October 1, 2023, beginning, as adjusted or restated	<u>63,699,353</u>	<u>4,110,112</u>	<u>124,814,265</u>
Fund balances, September 30, 2024	<u>\$ 74,200,618</u>	<u>\$ 5,421,856</u>	<u>\$ 171,686,223</u>

The accompanying notes are an integral part of this financial statement.

Debt-Financed Capital Projects Fund	Self-Financed Construction Fund	Roadway Impact Fees Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 10,997,070	\$ -	\$ 142,602	\$ 200,938,298
-	-	-	100,739	2,721,325
-	-	-	3,221,567	9,384,978
-	-	-	173,733	1,236,382
-	-	-	10,510,175	13,461,703
-	-	-	16,927,611	16,927,611
-	-	2,500,000	549,019	7,306,731
1,827,589	1,983,278	373,234	1,636,527	26,200,867
1,827,589	12,980,348	2,873,234	33,261,973	278,177,895
-	1,151,966	-	11,177,941	44,587,914
-	1,112,799	-	91,534	79,580,289
-	-	-	-	20,342,252
-	-	-	7,531,697	29,439,138
-	-	-	25,036	24,666,863
-	-	-	1,284	11,206,001
730,985	-	-	-	730,985
24,751,182	26,947,528	-	5,892,144	89,783,294
25,482,167	29,212,293	-	24,719,636	300,336,736
(23,654,578)	(16,231,945)	2,873,234	8,542,337	(22,158,841)
46,535,000	-	-	189,258	47,425,562
2,204,235	-	-	-	2,204,235
1,569,436	20,878,897	-	675,000	82,379,430
(53,375,408)	(111,564)	(2,500,000)	(12,922,613)	(76,494,130)
(3,066,737)	20,767,333	(2,500,000)	(12,058,355)	55,515,097
(26,721,315)	4,535,388	373,234	(3,516,018)	33,356,256
36,151,062	47,277,029	-	33,332,113	309,383,934
-	-	247,461	(247,461)	-
36,151,062	47,277,029	247,461	33,084,652	309,383,934
\$ 9,429,747	\$ 51,812,417	\$ 620,695	\$ 29,568,634	\$ 342,740,190

**CITY OF ROUND ROCK, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024**

Net Change in Fund Balances-Total Governmental Funds	\$	33,356,256
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization. They are detailed in Note III (B).		49,100,114
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The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, and donations) is to increase net position. They are detailed in Note III (B).		13,783,379
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Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		184,356
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The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. 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 Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. They are detailed in Note III (B).		(32,220,812)
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Governmental funds do not report recognition of increases to lease or subscription debt. In contrast, the Statement of Activities treats these as increases in long-term liabilities.		(890,562)
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Governmental funds report repayment of leases and subscriptions principal as expenditures. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.		2,562,349
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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. These are detailed in Note III (B) and include:

Pension costs, net		(2,586,000)
OPEB costs, net		(1,101,450)
Interest and employee expense		(2,119,004)

Internal service funds are used to charge the costs of self-funded insurance to the individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.		916,030
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Change in Net Position of Governmental Activities	\$	60,984,656
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The accompanying notes are an integral part of this financial statement.

CITY OF ROUND ROCK, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues -				
Taxes and franchise, including interest and penalties	\$ 134,948,000	\$ 134,948,000	\$ 135,160,453	\$ 212,453
Licenses, permits and fees	2,851,800	2,851,800	2,620,586	(231,214)
Charges for services	5,271,200	5,548,700	6,163,411	614,711
Fines and forfeitures	1,125,000	1,125,000	1,062,649	(62,351)
Intergovernmental	4,812,500	4,812,500	2,951,528	(1,860,972)
Investment and other	5,378,500	5,378,500	8,529,869	3,151,369
Total revenues	154,387,000	154,664,500	156,488,496	1,823,996
Expenditures -				
Current -				
General government	35,487,800	34,226,620	29,881,975	4,344,645
Public safety	80,507,100	80,851,721	78,375,956	2,475,765
Public works	22,737,500	23,190,482	19,915,678	3,274,804
Culture and recreation	22,698,200	23,439,277	21,907,441	1,531,836
Principal retirement	-	-	2,537,315	(2,537,315)
Interest and fiscal charges	-	-	193,909	(193,909)
Total expenditures	161,430,600	161,708,100	152,812,274	8,895,826
Excess (deficiency) of revenues over expenditures	(7,043,600)	(7,043,600)	3,676,222	10,719,822
Other financing sources (uses) -				
Issuance of debt/leases/SBITA	-	-	701,304	701,304
Transfers in	7,250,300	7,250,300	7,250,300	-
Transfers out	(1,700,000)	(2,369,434)	(2,369,434)	-
Total other financing sources (uses)	5,550,300	4,880,866	5,582,170	701,304
Net change in fund balances	\$ (1,493,300)	\$ (2,162,734)	9,258,392	\$ 11,421,126
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			1,242,873	
Fund balance, October 1, 2023			63,699,353	
Fund balance, September 30, 2024			\$ 74,200,618	

The accompanying notes are an integral part of this financial statement.

CITY OF ROUND ROCK, TEXAS
ROUND ROCK TRANSPORTATION AND ECONOMIC DEVELOPMENT CORPORATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues -				
Sales tax	\$ 31,311,200	\$ 31,311,200	\$ 29,991,589	\$ (1,319,611)
Intergovernmental	7,984,400	7,984,400	-	(7,984,400)
Contributions	11,176,300	11,176,300	4,257,712	(6,918,588)
Investment and other	505,000	505,000	7,367,728	6,862,728
Total revenues	50,976,900	50,976,900	41,617,029	(9,359,871)
Expenditures -				
Current -				
General government	7,308,000	7,308,000	2,376,032	4,931,968
Public works	664,000	664,000	426,574	237,426
Debt Service -				
Capital projects	95,832,900	95,832,900	32,192,440	63,640,460
Total expenditures	103,804,900	103,804,900	34,995,046	68,809,854
Excess (deficiency) of revenues over expenditures	(52,828,000)	(52,828,000)	6,621,983	59,449,983
Other financing sources (uses) -				
Transfers in	4,520,200	4,520,200	43,284,136	38,763,936
Transfers out	(1,365,000)	(5,215,111)	(5,215,111)	-
Total other financing sources (uses)	3,155,200	(694,911)	38,069,025	38,763,936
Net change in fund balances	<u>\$ (49,672,800)</u>	<u>\$ (53,522,911)</u>	44,691,008	<u>\$ 98,213,919</u>
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			2,180,950	
Fund balance, October 1, 2023			<u>124,814,265</u>	
Fund balance, September 30, 2024			<u>\$ 171,686,223</u>	

The accompanying notes are an integral part of this financial statement.

CITY OF ROUND ROCK, TEXAS
ROADWAY IMPACT FEES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues -				
Contributions	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ -
Investment and other	-	-	280,672	280,672
Total revenues	2,500,000	2,500,000	2,780,672	280,672
Other financing sources (uses) -				
Transfers out	(2,500,000)	(2,500,000)	(2,500,000)	-
Total other financing sources (uses)	(2,500,000)	(2,500,000)	(2,500,000)	-
Net change in fund balances	\$ -	\$ -	280,672	\$ 280,672
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			92,562	
Fund balances, October 1, 2023, as previously reported			-	
Change within financial reporting entity (nonmajor to major fund)			247,461	
Fund balance, October 1, 2023, beginning, as adjusted or restated			247,461	
Fund balance, September 30, 2024			<u>\$ 620,695</u>	

The accompanying notes are an integral part of this financial statement.

**CITY OF ROUND ROCK, TEXAS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Wastewater Fund	Golf Course Fund	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 50,448,634	\$ 580,719	\$ 51,029,353	\$ 2,972,297
Investments	127,959,663	319,710	128,279,373	10,428,266
Receivables (net of allowance for uncollectibles of \$1,287,166) -				
Accounts and other	22,150,208	78,388	22,228,596	30,635
Accrued interest	3,995,340	2,709	3,998,049	68,127
Intergovernmental	3,536,418	-	3,536,418	-
Grants	84,120	-	84,120	-
Inventories	946,044	-	946,044	-
Prepaid items	471,171	195,574	666,745	509,012
Total current assets	209,591,598	1,177,100	210,768,698	14,008,337
Noncurrent assets:				
Restricted cash, cash equivalents, and investments:				
Impact fees	3,150,794	-	3,150,794	-
Construction	6,993,688	-	6,993,688	-
Customer deposits	1,173,288	-	1,173,288	-
Revenue bond covenant accounts	128,545	-	128,545	-
Restricted accrued interest	53,797	-	53,797	-
Investment in joint venture	30,728,186	-	30,728,186	-
Capital assets:				
Land and construction in progress	35,499,456	4,304,314	39,803,770	-
Capital assets being depreciated/amortized	400,421,232	7,264,772	407,686,004	-
Total capital assets (net of accumulated depreciation/amortization of \$318,183,944)	435,920,688	11,569,086	447,489,774	-
Total noncurrent assets	478,148,986	11,569,086	489,718,072	-
Total assets	687,740,584	12,746,186	700,486,770	14,008,337
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refundings	3,170,364	-	3,170,364	-
Deferred outflows related to pensions	3,920,455	-	3,920,455	-
Deferred outflows related to OPEB	211,775	-	211,775	-
Total deferred outflows of resources	7,302,594	-	7,302,594	-

The accompanying notes are an integral part of this financial statement.

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Wastewater Fund	Golf Course Fund	Total	Internal Service Fund
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 13,384,923	\$ 320,292	\$ 13,705,215	\$ 1,218,654
Accrued payroll	909,184	63,854	973,038	-
Accrued compensated absences	861,589	-	861,589	-
Unearned revenue	8,812,721	131,771	8,944,492	-
Accrued interest	348,722	-	348,722	-
Customer deposits	1,215,947	-	1,215,947	-
Interfund payable	-	18,663	18,663	-
Lease payable	-	119,949	119,949	-
Bonds payable	4,191,408	-	4,191,408	-
Total current liabilities	29,724,494	654,529	30,379,023	1,218,654
Noncurrent liabilities:				
Net pension liability	8,335,668	-	8,335,668	-
Total OPEB liability	2,363,438	-	2,363,438	-
Noncurrent accrued compensated absences	229,030	-	229,030	-
Lease payable	-	347,006	347,006	-
Bonds payable	56,467,347	-	56,467,347	-
Total noncurrent liabilities	67,395,483	347,006	67,742,489	-
Total liabilities	97,119,977	1,001,535	98,121,512	1,218,654
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	87,466	-	87,466	-
Deferred inflows related to OPEB	659,824	-	659,824	-
Total deferred inflows of resources	747,290	-	747,290	-
NET POSITION				
Net investment in capital assets	378,432,297	11,102,131	389,534,428	-
Restricted for:				
Debt service	128,545	-	128,545	-
Capital projects	10,198,279	-	10,198,279	-
Unrestricted	208,416,790	642,520	209,059,310	12,789,683
Total net position	\$ 597,175,911	\$ 11,744,651	608,920,562	\$ 12,789,683
Reconciliation to government-wide statement of net position:				
Adjustment to reflect the cumulative net profit of the internal service fund that was allocated to enterprise fund functions.			1,788,352	
Net position of business-type activities			\$ 610,708,914	

CITY OF ROUND ROCK, TEXAS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Wastewater Fund	Golf Course Fund	Total	Internal Service Fund
Operating revenues -				
Charges for services	\$ 58,952,865	\$ 4,259,813	\$ 63,212,678	\$ 18,986,956
Licenses, permits, and fees	6,447,691	-	6,447,691	-
Total revenues	65,400,556	4,259,813	69,660,369	18,986,956
Operating expenses -				
Personnel services	18,437,608	-	18,437,608	-
Contractual services	21,436,997	3,811,161	25,248,158	3,589,871
Supplies	1,847,540	-	1,847,540	774
Repair and maintenance	2,698,093	360	2,698,453	-
Heat, light and power	2,901,029	63,177	2,964,206	7,293
Claims expense	-	-	-	15,233,470
Depreciation and amortization	25,671,652	514,279	26,185,931	-
Total operating expenses	72,992,919	4,388,977	77,381,896	18,831,408
Operating income (loss)	(7,592,363)	(129,164)	(7,721,527)	155,548
Nonoperating revenues (expenses) -				
Investment and other revenues	14,432,338	36,569	14,468,907	927,021
Interest and fiscal charges	(2,167,670)	(3,985)	(2,171,655)	-
Total nonoperating revenues (expenses)	12,264,668	32,584	12,297,252	927,021
Income before contributions and transfers	4,672,305	(96,580)	4,575,725	1,082,569
Contributions and transfers -				
Contributions - impact fees	5,282,517	-	5,282,517	-
Contributions - infrastructure	32,380,745	-	32,380,745	-
Contributions - other	418,353	83,878	502,231	-
Transfers out	(5,885,300)	-	(5,885,300)	-
Total contributions and transfers	32,196,315	83,878	32,280,193	-
Change in net position	36,868,620	(12,702)	36,855,918	1,082,569
Net position, October 1, 2023	560,307,291	11,757,353		11,707,114
Net position, September 30, 2024	<u>\$ 597,175,911</u>	<u>\$ 11,744,651</u>		<u>\$ 12,789,683</u>

Reconciliation to government-wide statement of activities:

Adjustment to reflect the net profit of the internal

service fund that was allocated to enterprise fund functions

Change in net position of business-type activities

166,540

\$ 37,022,458

The accompanying notes are an integral part of this financial statement.

**CITY OF ROUND ROCK, TEXAS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2024**

	Business-Type Activities- Enterprise Funds			Governmental Activities
	Water and Wastewater Fund	Golf Course Fund	Total	Internal Service Fund
Cash flows from operating activities:				
Cash received from customers	\$ 61,703,107	\$ 4,215,914	\$ 65,919,021	\$ 2,363,781
Cash received from other funds for services provided	-	-	-	16,592,540
Cash payments to suppliers for goods and services	(27,456,762)	(3,792,773)	(31,249,535)	(18,714,997)
Cash payments to employees for services	(17,586,704)	63,854	(17,522,850)	-
Net cash provided (used) by operating activities	16,659,641	486,995	17,146,636	241,324
Cash flows from noncapital financing activities:				
Transfers to other funds	(5,885,300)	-	(5,885,300)	-
Net cash provided (used) by noncapital financing activities	(5,885,300)	-	(5,885,300)	-
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets	95,042	-	95,042	-
Acquisition and construction of capital assets	(17,190,362)	(952,855)	(18,143,217)	-
Investment in joint venture	10,311,813	-	10,311,813	-
Liability associated with right-to-use assets	(371)	414,252	413,881	-
Principal paid on revenue bonds	(4,016,408)	-	(4,016,408)	-
Interest paid on revenue, certificates of obligation bonds, and leases	(2,196,145)	(3,985)	(2,200,130)	-
Contributions and grant proceeds	3,236,735	-	3,236,735	-
Impact fees	5,282,517	-	5,282,517	-
Net cash provided (used) by capital and related financing activities	(4,477,179)	(542,588)	(5,019,767)	-
Cash flows from investing activities:				
Purchase of investments	(24,098,403)	(131,023)	(24,229,426)	-
Proceeds from sale and maturities of investments	34,184,244	-	34,184,244	567,265
Investment and other income	8,327,098	35,915	8,363,013	920,699
Net cash provided (used) by investing activities	18,412,939	(95,108)	18,317,831	1,487,964
Net increase (decrease) in cash and cash equivalents	24,710,101	(150,701)	24,559,400	1,729,288
Cash and cash equivalents at beginning of year	29,290,451	731,420	30,021,871	1,243,009
Cash and cash equivalents at end of year	<u>\$ 54,000,552</u>	<u>\$ 580,719</u>	<u>\$ 54,581,271</u>	<u>\$ 2,972,297</u>

(CONTINUED)

The accompanying notes are an integral part of this financial statement.

CITY OF ROUND ROCK, TEXAS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities- Enterprise Funds			Governmental Activities
	Water and Wastewater Fund	Golf Course Fund	Total	Internal Service Fund
Reconciliation of Cash and Cash Equivalents to Proprietary Fund Statement of Net Position				
Cash and cash equivalents	\$ 50,448,634	\$ 580,719	\$ 51,029,353	\$ 2,972,297
Restricted assets -				
Cash and cash equivalents	<u>3,551,918</u>	<u>-</u>	<u>3,551,918</u>	<u>-</u>
Cash and cash equivalents	<u>\$ 54,000,552</u>	<u>\$ 580,719</u>	<u>\$ 54,581,271</u>	<u>\$ 2,972,297</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (7,592,363)	\$ (129,164)	\$ (7,721,527)	\$ 155,548
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation & amortization	25,671,652	514,279	26,185,931	-
Provision for bad debts	167,116	-	167,116	-
(Increase) decrease in:				
Receivables	(969,996)	(51,392)	(1,021,388)	(30,635)
Inventory	10,341	-	10,341	-
Other assets	(1,781)	(56,666)	(58,447)	(99,236)
Pension related deferred outflows	1,651,171	-	1,651,171	-
OPEB related deferred outflows	257,711	-	257,711	-
Increase (decrease) in:				
Accounts payable	1,418,337	138,591	1,556,928	215,647
Customer deposits	(160,307)	-	(160,307)	-
Accrued payroll	310,034	63,854	373,888	-
Unearned Revenue	(2,734,262)	7,493	(2,726,769)	-
OPEB related deferred inflows	-	-	-	-
Net pension liability	(1,272,024)	-	(1,272,024)	-
Total OPEB liability	<u>(95,988)</u>	<u>-</u>	<u>(95,988)</u>	<u>-</u>
Total adjustments	<u>24,252,004</u>	<u>616,159</u>	<u>24,868,163</u>	<u>85,776</u>
Net cash provided (used) by operations	<u>\$ 16,659,641</u>	<u>\$ 486,995</u>	<u>\$ 17,146,636</u>	<u>\$ 241,324</u>

NOTES:

Noncash capital and related financing activities:

In fiscal year 2024, the Water and Wastewater Fund had \$32,380,745 in capital assets contributed, recognized a change of \$2,274,839 in fair value of investments, and a change of \$(10,311,813) in joint venture net position.

The accompanying notes are an integral part of this financial statement.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Round Rock, Texas (the City) is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under a Council-Manager form of government. The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below, and where appropriate, subsequent pronouncements will be referenced.

A. REPORTING ENTITY

The City provides various services and performs many different functions. These include a police force, a fire fighting and protection force, emergency medical services, a park and recreation system, a municipal golf course, a public library, convention and tourism support, planning and zoning, a transportation system, and a waterworks and wastewater utility system. The City's staff provides the necessary support for the services provided. All are responsible to the citizens of Round Rock and are therefore included within the reporting entity.

As required by generally accepted accounting principles, these financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the City.

Blended Component Unit

The Round Rock Transportation and Economic Development Corporation (RRTEDC) is a blended component unit presented as a major special revenue fund of the City and does not issue separate financial statements. The governing body of the RRTEDC consists of a seven-member board appointed by the City Council. The blended component unit provides services entirely to the City for financial and economic benefits. The purpose of the RRTEDC is to utilize sales tax revenues for economic development by the improvement of the City's transportation system and payment of economic development incentives, covered under local government code. The City Council maintains budgetary control for the RRTEDC.

A five-year project spending plan is presented and adopted at least annually to ensure adequate funds are available for transportation, economic development and other allowed uses of RRTEDC funds. This five-year plan is reviewed by staff at least bi-annually and updates are presented to the RRTEDC board as needed for transportation capital improvements programs, economic incentive programs, and other legally allowable projects approved by the RRTEDC board and ratified by Council.

B. BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. GASB Statement No. 34 requires certain supplementary information. Management's Discussion and Analysis includes an analytical overview of the City's financial activities. In addition, budgetary comparison statements are presented that compare the adopted and amended budgets of the General Fund, the Round Rock Transportation and Economic Development Corporation Fund, and the Roadway Impact Fees Fund with their actual results.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Government-wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government and its component unit. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which are funded by fees and charges for services.

The City's statement of net position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (police, fire, public works, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. In addition, the government-wide statement of activities reflects depreciation and amortization expense on the City's capital assets, including infrastructure.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales or franchise taxes, intergovernmental revenues, interest income, etc.).

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from financial activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories and the component unit. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

Fund Financial Statements

Separate fund based financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. An emphasis is placed on major funds within the governmental and proprietary categories. GASB Statement No. 34 sets forth minimum criteria for the determination of major funds (i.e., funds whose revenues, expenditures/expenses, assets, or liabilities are at least 10% of corresponding totals for all governmental or enterprise funds and at least 5% of the aggregate amount for all governmental and enterprise funds). The major governmental funds are the General Fund, the Debt Service Fund, the Round Rock Transportation and Economic Development Corporation Fund, the Debt-Financed Capital Projects Fund, Self-Financed Construction Fund, and the Roadway Impact Fees Fund. The nonmajor funds are combined in a separate column in the fund financial statements.

The Internal Service Fund, which provides services to the other funds of the government, is presented as part of the proprietary fund financial statements. The net income (loss) of the Internal Service Fund is allocated between governmental and business-type activities. Because the principal users are the City's governmental activities, financial statements of the Internal Service Fund are consolidated into the governmental column when presented at the government-wide level. The costs of these services are reflected in the appropriate functional activity (general government, public safety, public works, etc.).

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

C. GOVERNMENTAL FUND TYPES

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those, if any, which should be accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination. The City maintains the following governmental fund types:

The **General Fund** accounts for financial resources in use for general types of operations, which are not encompassed within other funds. The General Fund is considered a major fund in the fund financial statements.

The **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

There are nine (9) groups of funds within the Special Revenue Funds which account for the activities related to grant programs, hotel-motel room taxes, transportation system improvement, and economic development sales tax and funds designated for specific service programs. They are as follows:

Major Funds

- *Round Rock Transportation and Economic Development Corporation Fund*
- *Roadway Impact Fees Fund*

Nonmajor Funds

- *Community Development Block Grant Fund*
- *Hotel-Motel Occupancy Tax Fund*
- *Hotel-Motel Occupancy Venue Tax Fund*
- *Innovation & Development Fund*
- *Library & Recreational Fund*
- *Public Safety Fund*
- *Public Education & Government Fund*

The **Round Rock Transportation and Economic Development Corporation Fund** is considered a major fund in the fund financial statements. It accounts for sales tax monies and donations/developer contributions received for economic development and transportation system improvements, including maintenance and capital costs associated with such authorized projects.

The **Roadway Impact Fees Fund** is considered a major fund in the fund financial statements effective in fiscal year ended September 30, 2024. It accounts for fees collected from developers to pay their share of roadway improvements necessitated by and attributed to such new development.

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, governmental long-term debt principal, interest and related costs. The Debt Service Fund is considered a major fund in the fund financial statements.

The **Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of capital facilities (other than those financed by proprietary funds). There are two groups of funds within the Capital Projects Fund which account for the activities related to various capital improvements projects as follows:

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Major Funds

- *Debt-Financed Capital Projects Fund*

The Debt-Financed Capital Projects Fund accounts for projects related to fire department facilities, parks and recreational purposes, library facilities, police and fire training facilities, street maintenance, and road construction. Financing is provided by general obligation bonds and certificates of obligation.

- *Self-Financed Construction Fund*

The Self-Financed Construction Fund accounts for the costs of authorized general capital improvements and facilities. Financing is provided by general government resources, such as sales tax. In fiscal year 2022, as part of the fiscal years 2023 budget adoption process, City Council adopted revision to the financial policies. To reduce reliance on any single sales tax provider or group, all are limited not to exceed 16% of total General Fund budgeted sales tax revenue, net of incentives in fiscal year 2023 and 15% thereafter. Sales tax receipts, net of incentives, in excess of these amounts will be budgeted and deposited in the Self-Financed Construction Fund. Secondly, expected or realized sales tax total revenue in the General Fund exceeding 45% of the operating budget will be recognized in the Self-Financed Construction Fund. All funds in the Self-Financed Construction Fund are available for pay-as-you-go one-time capital expenditures or projects.

D. PROPRIETARY FUND TYPES

The **Proprietary Funds** are used to account for the City's ongoing organizations and activities that are similar to those found in the private sector. These funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are the determination of income before contributions and transfers, net position and cash flows. The City maintains both Enterprise Funds and an Internal Service Fund.

The **Enterprise Funds** are used to account for operations that 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 be financed or recovered primarily through user charges. The City's Enterprise Funds consists of the Water and Wastewater Fund, which includes the City's stormwater program, and the Golf Course Fund. These funds are primarily supported by user charges. The Water and Wastewater Fund is considered a major fund.

The **Internal Service Fund** is used to account for the financing of goods or services provided by one department or agency to other City departments or agencies on a cost-plus basis. The City's Internal Service Fund is the Self-Funded Health Insurance Fund, which is used to account for the activities of the City's Self-Funded Health Insurance program.

E. NON-CURRENT GOVERNMENTAL ASSETS/LIABILITIES

GASB Statement No. 34 eliminated the presentation of the general fixed assets and general long-term debt account groups, but provides for these records to be maintained and incorporates the information into the governmental activities column in the government-wide statement of net position.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

F. BASIS OF ACCOUNTING

Government-wide Statements

The government-wide 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 the 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 grantor/provider have been met.

Fund Financial Statement

In the fund financial statements, all governmental funds are accounted for using a modified accrual basis of accounting. Governmental funds use the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Governmental Funds

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis of accounting, revenues are recorded when deemed both measurable and available. Measurable means that the amount of the transaction can be determined. Available means the amount of the transaction is collectible within the current period or soon enough thereafter to be used 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 year.

Property tax revenues are recognized when they become available. In this case, available means when due, or past due and receivable within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days.

Hotel taxes, franchise fees, and special assessments are recorded when susceptible to accrual, both measurable and available. Sales taxes collected and held by the State at year-end on behalf of the City are also recognized as revenue. Licenses and permits, charges for services, fines and forfeitures and other revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Earnings on investments are recorded on the accrual basis in all funds. Unrealized gains or losses on investments are also recognized in accordance with GASB Statement No. 31, but are not included in the budget basis. The fair market value change is reported as a separate impact on fund balance below the net change in fund balance.

In applying the susceptible to accrual concept to grant revenues, the legal and contractual requirements of the individual grant programs are used for guidance. Monies received are generally unrestricted as to purpose of expenditure and are revocable only for failure to comply with prescribed compliance requirements. These resources are recognized as revenues at the time of receipt, or sooner, if the susceptible to accrual criteria are met.

The City reports unavailable revenue on its fund financial statements. Unavailable revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred except for unmatured principal and interest on governmental long-term debt which are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds' fund financial statements.

Proprietary Funds

In the fund financial statements and the government-wide statements, proprietary and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred, if measurable.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 Water and Wastewater Fund, the Golf Course Fund and the Internal Service Fund are charges to customers for sales and services. Operating expenses for the Enterprise Funds and Internal Service Fund include the cost of sales and service, administrative expenses, and depreciation/amortization on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

G. CASH AND CASH EQUIVALENTS

In accordance with GASB Statement No. 9, for reporting purposes, the City has developed a definition of cash equivalents. Cash equivalents are demand deposit account balances, investments with the State Investment Pool, repurchase agreements, obligations of the United States government and its agencies, commercial paper and certificates of deposit with original maturities of three months or less.

H. INVESTMENTS

All investments are presented at fair value. The fair value of U.S. Government Securities is based upon discounted future cash flows. The fair value of the positions in the state investment pools is the same as the value of the pool shares.

The City pools excess cash of the various individual funds to purchase these investments. These pooled investments are reported in the combined balance sheet as investments in each fund based on each fund's share of the pooled investments. Interest income is allocated to each respective individual fund, monthly, based on their respective share of investments in the pooled investments. The City's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

I. INVENTORIES AND PREPAID ITEMS

Inventories of supplies for all funds are valued at cost. Cost is determined on the first-in, first-out method. The consumption method is used to account for inventories. Under the consumption method, an expenditure is recognized when inventory items are used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items (other current assets) in both the government-wide and fund financial statements. The consumption method is used to account for prepaids such as postage, while equipment is recognized as an expenditure when the equipment is received.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

J. JOINT VENTURE

The joint venture represents the City's equity interest calculated in accordance with the agreement for the Brushy Creek Regional Utility Authority (BCRUA). The City's initial investment in this joint venture was recorded at cost. The City shares in the operating results in this joint venture so the City adjusts its equity interest by the amount of its participating share of the joint venture's change in net position.

K. CAPITAL ASSETS

Capital assets are stated at historical cost, except for intangible right-to-use lease equipment and right-to-use subscriptions. Maintenance and repairs are charged to operations as incurred. Improvements and betterments, which extend the useful lives of assets, are capitalized.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by the fund's measurement focus. The minimum capitalization threshold is \$5,000 and greater for machinery and equipment with a useful life of at least five (5) years and \$50,000 and greater with a useful life of at least ten (10) years for other asset categories. Donated capital assets, donated works of art, and similar items are reported at acquisition value rather than fair value. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Public domain capital assets (infrastructure) have been capitalized. Infrastructure consists of certain improvements other than buildings, including roads, curbing, gutters, streets and sidewalks, and stormwater systems.

In the government-wide statements, depreciation and amortization of plant, equipment, and the right-to-use lease equipment and right-to-use subscriptions classified by functional components is provided by the straight-line method over their estimated useful lives. Estimated useful lives are as follows:

<i>Buildings</i>	<i>40 years</i>
<i>Improvements to buildings</i>	<i>10 years</i>
<i>Improvements other than buildings</i>	<i>10 - 30 years</i>
<i>Machinery and equipment</i>	<i>5 - 7 years</i>
<i>Right-to-use lease equipment</i>	<i>5 - 7 years</i>
<i>Right-to-use subscriptions</i>	<i>Subscription term</i>

When capital assets are retired or otherwise disposed of, a gain or loss on disposal of assets is recognized.

In the fund financial statements, because of the application of the current financial resources focus and the use of modified accrual accounting for governmental funds, depreciation and amortization is only recognized for the Enterprise Funds.

L. LONG-TERM DEBT

In the government-wide financial statements, as well as the 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 effective interest method. Bonds payable is reported net of the applicable bond premium or discount. Deferred amounts related to refunding are reported as deferred outflow of resources and amortized over the shorter of the refunded or refunding debt.

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

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Limited Tax Notes have been issued for the purpose of purchasing City vehicles. The notes are to be repaid from ad valorem taxes.

A loan from the State Infrastructure Bank has been received to fund transportation improvements. The loan will be repaid from revenues of the Round Rock Transportation and Economic Development Corporation.

Hotel Occupancy Tax Revenue Bonds were issued to fund the City's portion for the construction of a convention center complex. The project costs were shared with a private corporation in accordance with the Master Agreement Regarding Convention Center Development. Venue Tax and Hotel Occupancy Revenue Bonds were issued to fund a portion of the construction of a sports center. The Hotel Occupancy Tax Revenue Bonds and Venue Tax and Hotel Occupancy Tax Revenue bonds are to be repaid from the hotel tax revenue.

Revenue bonds, have been issued to fund capital projects of the enterprise fund are to be repaid from net revenues of the utility systems.

Sales tax revenue bonds have been issued to fund transportation improvements. The bonds are to be repaid from revenues of the Round Rock Transportation and Economic Development Corporation.

Taxable sales tax revenue bonds have been issued to fund the City's portion of the construction of a convention center facility located at Kalahari Resorts and Conventions. The bonds are to be repaid from sales tax, venue tax and ad valorem tax generated by Kalahari Resorts and Conventions.

Principal and interest expenditures on lease and subscription liabilities are recognized based on specific accounting rules applicable when payment is due. General capital asset acquisitions, including entering into contracts giving the City right-to-use lease equipment and subscriptions, are reported as expenditures while issuance of financing through leases and subscriptions are reported as other financing sources in governmental funds.

M. ACCRUED BENEFIT OBLIGATIONS

Unpaid Compensated Absences

Regular full-time employees and regular part-time employees who are normally scheduled to work at least twenty (20) hours per week are eligible to accrue vacation leave. Public service employees, including the police department, can accrue a maximum of 320 hours. Regular, full-time suppression firefighters have a maximum accrual of 656 hours, while regular, full-time administration firefighters can earn a maximum of 437 hours. Employees are paid for the accumulated vacation upon termination.

Public Service employees with unused sick leave accrued after January 1, 1994, with ten (10) years service and a current sick leave balance of at least four hundred (400) hours, will receive a lump sum payment equal to ten (10) percent of their remaining sick leave balance up to 100 hours upon voluntary separation of employment.

Civil Service firefighters who leave the classified service are entitled to receive a lump-sum payment for accumulated sick leave not to exceed ninety (90) days (or 1,080 hours) based on their current rank and pay scale at time of separation.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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The City accrues a liability for accumulated vacation and sick leave benefits, which meet the following criteria:

- *The City's obligation to fund accumulated vacation and sick leave benefits is attributable to employees' services already rendered.*
- *The obligation relates to rights that vest or accumulate.*
- *Payment of the compensation is probable.*
- *The amount can be reasonably estimated.*

All vacation and applicable sick pay are accrued when incurred in the government-wide and proprietary fund financial statements. 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.

Other Post-Employment Benefits

The City provides its retirees the opportunity to maintain health insurance coverage by participating in the City's self-insurance plan. The City reports the total liability for this plan on the government-wide and proprietary fund financial statements. The actual cost recorded in the governmental fund financial statements is the cost of the health benefits incurred on behalf of the retirees less the premiums collected from the retirees. Information regarding the City's total liability for this plan is obtained through a report prepared by Holmes Murphy & Associates, the City's third-party actuary, in compliance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Additionally, the City participates in a defined benefit group-term life insurance plan, both for current and retired employees, administered by the Texas Municipal Retirement System (TMRS). The City reports the total liability for this plan on the government-wide and proprietary fund financial statements. Information regarding the City's total OPEB liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Statement No. 75.

The governmental funds typically used to liquidate other post-employment benefit liabilities are the General, Hotel-Motel Occupancy Tax, Hotel-Motel Occupancy Venue Tax, and Library and Recreational Funds.

N. TRANSACTIONS BETWEEN FUNDS

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations of both governmental and proprietary funds. Nonrecurring or non-routine transfers of equity between funds - for example, contribution of capital assets to a proprietary fund or transfers of residual balances of discontinued funds to other funds - are accounted for as transfers.

As a rule, the effect of interfund activity has been eliminated from the government-wide statement of net position. Exceptions to this rule are cost reimbursement transactions between the enterprise fund and various other functions of the government for utilities and for reimbursement of personnel costs for employees administering grant programs. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

O. NET POSITION

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets net of accumulated depreciation/amortization, outstanding balances of capital-related borrowings, and capital-related deferred outflows (inflows) of resources. Net position classified as restricted is balances with constraints on

CITY OF ROUND ROCK, TEXAS
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resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Certain bond proceeds, as well as resources set aside for their repayment, are classified as restricted assets because their use is limited by bond covenants. Other assets are restricted due to City Ordinance restrictions on their use.

Net position has been restricted for the excess of restricted assets over related liabilities to the extent such restricted assets were accumulated from revenues (i.e., in some cases, restricted assets were obtained in total or in part from the proceeds of bond sales or grants).

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

P. CLASSIFICATION OF FUND EQUITY

Governmental funds' fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

Nonspendable fund balance – Nonspendable fund balances are amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are amounts that are constrained to specific purposes by creditors, grantors, contributors, or laws or regulations of other governments.

Committed fund balance – Committed fund balances are amounts that are committed to specific purposes by City Council through an ordinance. Amounts cannot be used for other purposes unless the City Council takes the same action to remove or change the constraint. The most significant commitments are for general government and capital projects in the special revenue funds and for capital projects in the Self-Financed Construction Fund.

Assigned fund balance – Assigned fund balances are amounts that are subject to a purpose constraint that represents an intended use but are neither restricted nor committed. Assignments are made by City Council or the City Manager as defined in the Financial Policies of the City.

Unassigned fund balance – Unassigned fund balances are amounts that are available for any legal purposes. The General Fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds may report a negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

For the classification of governmental fund balances, the City considers the expenditure to be made from the most restrictive first when more than one classification is available.

Q. MINIMUM FUND BALANCE POLICY

It is the desire of the City to maintain an adequate fund balance in the General Fund to maintain liquidity in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a General Fund minimum fund balance of 90 days or 25% of annual budgeted operating expenditures.

R. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of

CITY OF ROUND ROCK, TEXAS
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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. The items that qualify for reporting in this category by the City include the following:

- Deferred charges on refundings - 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. The deferred charge on refundings is reported in the government-wide statement of net position.
- OPEB and pension contributions after measurement date - These contributions are deferred and recognized in the following fiscal year.
- Difference between projected and actual investment earnings on pension assets, difference between expected and actual economic experience on pension and OPEB assets, and changes in actuarial assumptions used to determine the net pension and total OPEB liabilities.

In addition to liabilities, the statement of net position and/or balance sheet 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. Reported as a deferred inflow for the City both for OPEB and pension are the difference in expected and actual experience and the difference arising from changes in assumptions (both are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date). For the governmental funds, the property tax receivable is offset by unavailable revenue and reported as deferred inflows because this receivable will not be received within 60 days after fiscal year end.

S. TAP-IN (CONNECTION FEES) AND IMPACT FEES

Water and wastewater tap-in fees (connection fees) represent reimbursement of the costs incurred to perform the connection of the respective utilities. These fees are recorded as operating revenue at the time of service. The impact fee substantially exceeds the cost of connection to the water and wastewater system and is therefore viewed as a contribution. Effective with the implementation of GASB Statement No. 33, impact fees are recorded as contributions in the Enterprise Fund.

The City adopted a roadway impact fee ordinance in March 2019 and a revised ordinance in November 2023. Roadway impact fees are intended to recover the incremental cost of each new unit of development on the arterial and collector roadway infrastructure. Effective January 1, 2020, assessment of roadway impact fees began but no roadway impact fees were charged for any building permit application dated before January 1, 2021. The roadway impact fees were charged effective January 1, 2021. There are four phases in the roadway impact fee schedule. Phase 1 of the roadway impact fees are for final plat dates prior to January 1, 2023; phase 2 is for final plat dates between January 1, 2023, and December 31, 2023; phase 3 is for final plat dates between January 1, 2024, and December 31, 2024; and phase 4 is for final plat dates on or after January 1, 2025.

T. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Specifically, the actuarial calculations to determine the net pension liability and total OPEB liability are based on assumptions about events far into the future. Accordingly, actual results could differ from those estimates.

U. PENSIONS

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its fiduciary net position in TMRS and additions

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

to/deductions from the City'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. Information regarding the City's total pension liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company (GRS), in compliance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27.

The governmental funds typically used to liquidate pension liabilities are the General, Hotel-Motel Occupancy Tax, Hotel-Motel Occupancy Venue Tax, and Library and Recreational Funds.

V. NEW AND FUTURE FINANCIAL REPORTING REQUIREMENTS

The GASB has issued the following statement which became effective for fiscal year 2024, and has been implemented:

GASB Statement No. 100, *"Accounting for Changes and Error Corrections"* - an Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The GASB has issued the following statements which will become effective for fiscal year 2025:

GASB Statement No. 101, *"Compensated Absences"* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB Statement No. 102, *"Certain Risk Disclosures"* - The objective of this statement is to provide users of government financial statement with essential information about risk related to a government's vulnerabilities due to certain concentrations or constraints, whether by an external party or formal authoritative action by the government.

A government is to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The GASB has issued the following statements which will become effective for fiscal year 2026:

GASB Statement No. 103, *"Financial Reporting Model Improvements"* - The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues related to Management's Discussion and Analysis, unusual or infrequent items, Net Position of proprietary funds, Major Component Unit Information, and Budgetary Comparison Information.

GASB Statement 104, *"Disclosure of Certain Capital Assets"* - The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets separately in the

CITY OF ROUND ROCK, TEXAS
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capital assets note disclosures required by Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

This Statement specifically addresses assets recognized by Statement No. 87, *Leases*, Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, Statement No. 96, *Subscription-Based Information Technology*.

W. RECLASSIFICATION OF MAJOR FUND

The City restated its governmental major and combined nonmajor fund balances as of October 1, 2023, to recognize the change of the Roadway Impact Fees from nonmajor to major fund in accordance with implementation of GASB Statement 100, "*Accounting Changes and Error Corrections*".

	Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances		
	Major Fund	NonMajor Fund	Total
Fund Balance at September 30, 2023 as previously reported	\$ -	\$ 247,461	\$ 247,461
Reclassify to Major Fund	<u>247,461</u>	<u>(247,461)</u>	<u>-</u>
Fund Balance at September 30, 2023, as restated	<u>\$ 247,461</u>	<u>\$ -</u>	<u>\$ 247,461</u>

**CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY ACCOUNTING

The City follows these procedures in establishing the appropriated budget as reflected in the accompanying financial statements:

- (1) At least sixty days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget, which represents the financial plan for the ensuing fiscal year, includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted at which all interested persons' comments concerning the budget may be heard.
- (3) The budget is legally enacted by the City Council through passage of an appropriation ordinance and tax-levying ordinance not later than the final day of the last month of the fiscal year.
- (4) Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Proprietary Funds. Management control for the operating budget is maintained at the individual office, department, or agency level.
- (5) Fair market value adjustments related to investments are not included in the budgetary basis due to the non-cash nature of those changes.
- (6) Annual budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Fund, and the Proprietary Funds. Capital Projects Funds have no binding annual budget. Project-length financial plans are adopted for all capital projects; accordingly, no comparison of budget to actual is presented in the financial statements.
- (7) Amendments that alter total expenditures of any fund must be approved by the City Council. Although costs are monitored on a departmental basis, the level of control at which expenditures may not exceed the budget is at the fund level. The reported budgetary data has been revised for amendments authorized.
- (8) Any appropriation balances lapse or revert to the undesignated fund balances at the close of each fiscal year.

CITY OF ROUND ROCK, TEXAS
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The budgets of the various funds are prepared on a basis consistent with generally accepted accounting principles, with one exception as described above. The table below compares original to final budgets for the General Fund.

	Original Budget	Amendments Increase (Decrease)	Final Budget
Revenues -			
Taxes and franchise, including interest and penalties	\$ 134,948,000	\$ -	\$ 134,948,000
Licenses, permits and fees	2,851,800	-	2,851,800
Charges for services	5,271,200	277,500	5,548,700
Fines and forfeitures	1,125,000	-	1,125,000
Intergovernmental	4,812,500	-	4,812,500
Investment and other	5,378,500	-	5,378,500
Total revenues	<u>154,387,000</u>	<u>277,500</u>	<u>154,664,500</u>
Expenditures -			
Current -			
General government	35,487,800	(1,261,180)	34,226,620
Public safety	80,507,100	344,621	80,851,721
Public works	22,737,500	452,982	23,190,482
Culture and recreation	22,698,200	741,077	23,439,277
Total expenditures	<u>161,430,600</u>	<u>277,500</u>	<u>161,708,100</u>
Excess (deficiency) of revenues over expenditures	<u>(7,043,600)</u>	<u>-</u>	<u>(7,043,600)</u>
Other financing sources (uses) -			
Transfers in	7,250,300	-	7,250,300
Transfers out	(1,700,000)	(669,434)	(2,369,434)
Total other financing sources (uses)	<u>5,550,300</u>	<u>(669,434)</u>	<u>4,880,866</u>
Net change in fund balances	<u>\$ (1,493,300)</u>	<u>\$ (669,434)</u>	<u>\$ (2,162,734)</u>

B. ENCUMBRANCES

Encumbrances represent commitments related to unperformed (executory) contracts for goods or services. For budgetary purposes, encumbrances lapse at fiscal year-end. In accordance with the City Charter, Part I, Article 8, Section 8.03 (a)(10) – Finance Administration, a capital improvement program may be revised and extended each year to indicate capital improvements pending or in process of construction or acquisition. Therefore, purchase orders and contracts associated with capital improvement programs roll at the end of the fiscal year. The encumbrances and significant commitments at September 30, 2024, associated with capital improvements for governmental funds, not proprietary funds, in accordance with GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions,” are summarized below:

Major Funds

Round Rock Transportation and Economic Development Corporation Fund	\$ 37,357,000
Self-Financed Construction Fund	25,332,000
Debt-Financed Capital Projects Fund	26,371,000

Nonmajor Funds

Special revenue funds	\$ 1,843,000
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CITY OF ROUND ROCK, TEXAS
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SEPTEMBER 30, 2024

III. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "some long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Bonds, certificates, and limited tax notes payable - public placement	\$ 341,940,000
Plus: Issuance premium (amortized against interest expense)	18,141,738
Less: Issuance discount (amortized against interest expense)	(16,748)
Bonds, certificates, and limited tax notes payable - private placement	26,875,000
State infrastructure bank loan	27,000,000
Excess sales tax payable	6,624,683
Lease payable	297,692
Subscriptions payable	5,320,586
Net pension liability	61,797,397
Compensated absences	11,679,428
Total OPEB liability	<u>17,382,047</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 517,041,823</u></u>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation of *net changes in fund balances - total governmental funds* to *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. The details of this difference are as follows:

Capital outlay	\$ 94,451,327
Depreciation/amortization expense	<u>(45,351,213)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 49,100,114</u></u>

Another element of the reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, and donations) is to increase net position." The details of this difference are as follows:

Donations	\$ 15,167,713
Reclassifications, disposals, and transfers	<u>(1,384,334)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 13,783,379</u></u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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Another element of the reconciliation states that "The issuance of long-term debt (i.e., bonds, leases and subscriptions) 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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities." Lastly, expenses related to accrued interest and amortization of premiums, discounts, and deferred gains/losses on refunding transactions are reported in the statement of activities, but do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The details of this difference are as follows:

Debt proceeds - public placement	\$ (46,535,000)
Bond premium on issuance	(2,204,234)
Sales tax liability	(9,752,194)
Debt payments - public placement	17,295,000
Debt payments - private placement	4,200,000
Sales tax liability payments	3,127,511
Notes payments	600,837
Amortization of bond premium/discounts	1,280,461
Amortization of deferred amount on refunding	<u>(233,193)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (32,220,812)</u></u>

Another element of the reconciliation states that "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." The details of these differences are as follows:

Decrease in net pension liability	\$ 8,659,000
Decrease in deferred outflows related to pensions	(8,243,000)
Increase in deferred inflows related to pensions	<u>(3,002,000)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (2,586,000)</u></u>
Decrease in total OPEB liability	\$ 653,744
Decrease in deferred outflows related to OPEB	(560,300)
Increase in deferred inflows related to OPEB	<u>(1,194,894)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (1,101,450)</u></u>
Change in compensated absences	\$ (1,455,360)
Change in accrued interest	<u>(663,644)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (2,119,004)</u></u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

IV. DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

Cash and investments at September 30, 2024, reconciled to the statement of net position amounts for cash and cash equivalents and investments is as follows:

Cash in banks	\$ 76,946,922
Investments	<u>493,562,989</u>
Total cash and investments	<u><u>\$ 570,509,911</u></u>
Statement of net position presentation:	
Cash and cash equivalents	\$ 90,604,469
Investments	267,087,149
Restricted assets -	
Cash and cash equivalents	83,615,913
Investments	<u>129,202,380</u>
Total cash and cash equivalents and investments	<u><u>\$ 570,509,911</u></u>

At September 30, 2024, the carrying amount of deposits was a debit balance of \$76,946,922, including \$3,025,257 in outstanding checks, and the respective bank balances totaled \$79,972,179. The City's bank balances were fully insured or collateralized with securities held by the City's agent in the City's name and/or letters of credit.

Investments

All investments are presented at fair value. The fair value of U.S. Government Securities is based upon discounted future cash flows. The fair value of the positions in the state investment pools is the same as the value of the pool shares.

	Carrying Amount	Fair Value	Weighted Average Maturity (Days)
U. S. Government Securities	\$ 254,091,888	\$ 254,091,888	193
Certificates of Deposit	139,382,744	139,382,744	78
State Investment Pools	<u>100,088,357</u>	<u>100,088,357</u>	7
	<u><u>\$ 493,562,989</u></u>	<u><u>\$ 493,562,989</u></u>	
Portfolio weighted average maturity			123

Following GASB Statement No. 72, "Fair Value Measurement and Application," the City categorizes its fair value measurements within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. As of September 30, 2024, the City has the recurring fair value measurements for U.S. Government securities of \$254,091,888 valued using quoted prices for similar assets in active markets (level 2 inputs).

**CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Legal and Contractual Provisions Governing Deposits and Investments

The Public Funds Investment Act (PFIA) (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker's acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

In addition, the funds of the City must be deposited and invested under the terms of a contract, the contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance and any letters of credit that are pledged.

Policies Governing Deposits and Investments

Foreign Currency Risk – The City's deposits and investments are not exposed to foreign currency risk.

Custodial Credit Risk – The City's policy is to be collateralized. The City was fully collateralized during the year.

Interest Rate Risk – In compliance with the City's Investment Policy, as of September 30, 2024, the City minimized its interest rate risk in the portfolio by limiting the weighted average maturity to 540 days, structuring the portfolio so that maturities meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity, monitoring credit ratings of portfolio positions to assure compliance with rating requirements imposed by PFIA, and investing operating funds primarily in short-term securities, money market mutual funds, money market accounts, or government investment pools.

Credit Risk – In compliance with the City's Investment Policy, as of September 30, 2024, the City minimized credit risk losses due to default of security issuer or backer by limiting investments to the safest rated securities, using a registered investment advisor to provide investment and market advice, and diversifying the investment portfolio so that potential losses on individual securities were minimized. All the City's purchased investments in U. S. Agencies were rated AA+ by Standard & Poor's and Moody's respectively.

Concentration Risk - The City invests in pools, certificates of deposit, money market funds, municipal bonds and U.S. Government Securities. State law authorizes the City to invest in obligations of the United States government and its agencies, commercial paper, money market funds, certificates of deposit of any state or federally chartered bank, obligations of states, agencies, counties, cities and other political subdivisions of any state not rated less than A or equivalent. All investments made in fiscal year 2024 were in the aforementioned categories.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Local Government Investment Pools

As of September 30, 2024, the City's investments included TexPool, TexSTAR, and Texas Range TexasDAILY and TexasDAILY Select Investment Pools. The investment pools' investments are not evidenced by securities that exist in physical or book entry form and, accordingly, do not have custodial risk. The City had \$91,741,888 invested in TexPool, \$222,666 invested in TexSTAR, \$5,575,772 in TexasDAILY Select, and \$2,548,031 in TexasDAILY at September 30, 2024.

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company to provide a safe environment for the placement of local government funds in authorized short-term, fully collateralized investments, authorized by the PFIA. The Texas State Comptroller of Public Accounts has oversight responsibility for TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters.

TexPool uses amortized cost rather than fair value to report net position to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the City's investments in TexPool are stated at cost, which approximates fair value. TexPool is currently rated AAAM by Standard and Poor's. This rating indicates excellent safety and superior capacity to maintain principal value and limit exposure to loss.

The City is invested in Texas Short Term Asset Reserve program (TexSTAR), a local government investment cooperative created under the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the PFIA, specifically tailored to meet state and local government investment objectives of preservation of principal, daily liquidity and competitive yield.

TexSTAR is co-administered by J.P. Morgan Investment Management Inc. and Hilltop Securities Inc. and is overseen by a five-member government board made up of three participants and one of each of the program's co-administrator or an affiliate. TexSTAR is currently rated AAAM by S&P Global. The responsibility of the board includes the ability to influence operations, designation of management, and accountability for fiscal matters. TexSTAR uses amortized cost rather than fair value to report net assets to compute share price. The fair value of the City's position in TexSTAR is the same as the value of TexSTAR shares.

The City is also invested in TexasDAILY and TexasDAILY Select of the Texas Range Investment Program (Program). Texas Range Investment Program was established by the Common Investment Contract in conformity with Chapters 791 (Interlocal Cooperation Act) and 2256 (PFIA) of the Texas Government Code. An elected Advisory Board is responsible for the overall management of the Program, including formation and implementation of its investment and operating policies. The Program's investment advisor and administrator is PFM Asset Management, LLC.

TexasDAILY is a money market portfolio with daily liquidity that is rated AAAMmf by Fitch. TexasDAILY's investment objectives are to provide shareholders with as high a level of current income as is consistent with stability, safety of principal, and liquidity, and to maintain a stable net asset value (NAV) of \$1.00 per share.

TexasDAILY Select invests in the full range of PFIA permitted investments and is rated AAAMmf by Fitch. TexasDAILY Select's investment objectives are to earn the highest income consistent with preserving principal and maintaining liquidity, and to maintain a stable NAV of \$1.00 per share.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Local Government Investment Pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

B. PROPERTY TAXES AND RECEIVABLE

Property taxes attach as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Williamson and Travis Central Appraisal Districts established appraisal values in accordance with requirements of the Texas Legislature.

The City Council levies taxes based upon the appraised values. Williamson County and Travis County bills and collects the City's property taxes.

The property tax rates, established in accordance with state law, were based on 100% of the net assessed valuation of real and personal property within the City on the 2023 tax roll. The tax rate, based on total taxable assessed valuation of \$24,052,055,665 was \$0.342000 on each \$100 valuation and was allocated to the General Fund and Debt Service Fund at \$0.238520 and \$0.103480, respectively.

Property taxes receivable as of September 30, 2024, were as follows:

	General Fund	Debt Service Fund	Total
Current year levy	\$ 199,909	\$ 98,463	\$ 298,372
Prior years' levies	292,760	177,661	470,421
	<u>492,669</u>	<u>276,124</u>	<u>768,793</u>
Less - allowance for uncollectible taxes	<u>(4,926)</u>	<u>(2,775)</u>	<u>(7,701)</u>
	<u><u>\$ 487,743</u></u>	<u><u>\$ 273,349</u></u>	<u><u>\$ 761,092</u></u>

Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

C. INTERFUND, RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables as of September 30, 2024, were as follows:

Receivable Fund	Payable Fund	Receivable	Payable
General Fund	Debt Service Fund	\$ 5,422	\$ 5,422
RRTEDC Construction Fund	Debt-Financed Capital Projects Fund	2,542,573	2,542,573
Self-Financed Construction Fund		18,663	-
Total Governmental Funds		<u>2,566,658</u>	<u>2,547,995</u>
	Golf Course Fund	-	18,663
Total Proprietary Funds		<u>-</u>	<u>18,663</u>
Total Interfund		<u><u>\$ 2,566,658</u></u>	<u><u>\$ 2,566,658</u></u>

Remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The City reports interfund transfers between many of its funds. These routine transfers are consistent with the activities of the funds.

**CITY OF ROUND ROCK, TEXAS
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Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In 2024, \$10.1 million was transferred from the Debt-Financed Capital Project Fund to the General Self-Financed Construction Fund to reimburse pre-funded eligible capital project costs. The RRTEDC Fund received \$43.3 million transferred from the Debt-Financed Capital Project Fund for eligible capital road project costs. A summary of transfers between funds is shown on the following page.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds</u>		
General Fund -		
Water and Wastewater Fund	\$ 5,885,300	\$ -
Self-Financed Construction Fund	-	2,369,434
RRTEDC Fund	1,365,000	-
	<u>7,250,300</u>	<u>2,369,434</u>
Debt Service Fund -		
Roadway Impact Fees Fund	2,500,000	-
Nonmajor Governmental Funds	6,221,661	-
	<u>8,721,661</u>	<u>-</u>
RRTEDC Fund -		
General Fund	-	1,365,000
Debt Service Fund	-	3,804,966
Debt-Financed Capital Projects Fund	43,284,136	45,145
	<u>43,284,136</u>	<u>5,215,111</u>
Debt-Financed Capital Projects Fund -		
Self-Financed Construction Fund	111,564	10,091,272
RRTEDC Fund	45,145	43,284,136
Nonmajor Governmental Funds	1,412,727	-
	<u>1,569,436</u>	<u>53,375,408</u>
Self-Financed Construction Fund -		
General Fund	2,369,434	-
Debt-Financed Capital Projects Fund	10,091,272	111,564
RRTEDC Fund	3,804,966	-
Nonmajor Governmental Funds	4,613,225	-
	<u>20,878,897</u>	<u>111,564</u>
Roadway Impact Fees Fund -		
Debt Service Fund	-	2,500,000
	<u>-</u>	<u>2,500,000</u>
Other Governmental Funds -		
Debt Service Fund	-	6,221,661
Debt-Financed Capital Projects Fund	-	1,412,727
Self-Financed Construction Fund	-	4,613,225
Nonmajor Governmental Funds	675,000	675,000
	<u>675,000</u>	<u>12,922,613</u>
Subtotal of Governmental Funds	<u>82,379,430</u>	<u>76,494,130</u>
<u>Proprietary Funds</u>		
Water and Wastewater Fund -		
General Fund	-	5,885,300
Subtotal of Proprietary Funds	<u>-</u>	<u>5,885,300</u>
Total Transfers	<u>\$ 82,379,430</u>	<u>\$ 82,379,430</u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

D. JOINT VENTURE

The City entered into a partnership with the cities of Leander and Cedar Park and formed Brushy Creek Regional Utility Authority (BCRUA). The BCRUA has the responsibility to provide reliable, cost effective sources of water. The City accounts for this partnership as a joint venture. Condensed financial statements for BCRUA are shown below. Financial statements may be obtained at the BCRUA, 221 East Main Street, Round Rock, Texas, 78664.

STATEMENT OF NET POSITION
As of September 30, 2024

	Total	City's Interest
ASSETS		
Cash and cash equivalents	\$ 3,547,739	\$ 1,084,973
Accounts receivable	250	(918)
Due from partner cities	6,577,866	2,856,885
Restricted investments	104,631,915	16,502,838
Capital assets	318,398,004	99,849,665
Total assets	<u>433,155,774</u>	<u>120,293,443</u>
 DEFERRED OUTFLOWS OF RESOURCES	 <u>10,333,695</u>	 <u>4,026,733</u>
 LIABILITIES		
Accounts payable	4,534,968	1,004,705
Retainage payable	6,472,938	1,814,061
Due to partner cities	1,178,022	828,696
Current portion of bonds payable	13,755,000	3,695,000
Accrued bond interest payable	1,672,816	527,305
Total current liabilities	<u>27,613,744</u>	<u>7,869,767</u>
Noncurrent portion of bonds payable	327,288,457	85,722,223
Total liabilities	<u>354,902,201</u>	<u>93,591,990</u>
 NET POSITION	 <u><u>\$ 88,587,268</u></u>	 <u><u>\$ 30,728,186</u></u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended September 30, 2024

	Total	City's Interest
Operating revenues	\$ 4,663,254	\$ 1,196,870
Interest expense	(9,947,870)	(2,936,825)
Other operating expenses	(15,324,889)	(4,357,715)
Other income (expense)	11,642,742	2,300,168
Changes in Net Position	<u>(8,966,763)</u>	<u>(3,797,502)</u>
 Net position, October 1, 2023	 79,690,244	 41,039,999
Contribution of capital, net ¹	<u>17,863,787</u>	<u>(6,514,311)</u>
Net position, September 30, 2024	<u><u>\$ 88,587,268</u></u>	<u><u>\$ 30,728,186</u></u>

¹ The negative capital contribution presented here includes a \$25,346,964 reimbursement to the City from the 2023 SWIFT bond issuance.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

E. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024, was as follows:

	October 1, 2023	Additions/ Completions	Retirements/ Adjustments	September 30, 2024
Governmental Activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 124,456,531	\$ 12,081,846	\$ -	\$ 136,538,377
Construction in progress	73,639,653	87,805,975	(47,848,595)	113,597,033
Total capital assets not being depreciated/ amortized	198,096,184	99,887,821	(47,848,595)	250,135,410
Capital assets being depreciated/amortized:				
Buildings and improvements	1,117,464,780	46,659,402	(13,117,242)	1,151,006,940
Equipment	103,495,993	9,988,584	(2,185,693)	111,298,884
Right-to-use lease equipment	902,501	45,726	(174,740)	773,487
Right-to-use subscription assets	8,726,880	886,102	(248,451)	9,364,531
Total capital assets being depreciated/ amortized	1,230,590,154	57,579,814	(15,726,126)	1,272,443,842
Less accumulated depreciation/amortization for:				
Buildings and improvements	527,855,379	34,047,615	(11,740,568)	550,162,426
Equipment	78,463,805	8,713,735	(2,178,033)	84,999,507
Right-to-use lease equipment	393,514	257,913	(174,740)	476,687
Right-to-use subscription assets	1,397,181	2,331,950	(248,451)	3,480,680
Total accumulated depreciation/amortization	608,109,879	45,351,213	(14,341,792)	639,119,300
Total capital assets being depreciated/ amortized, net	622,480,275	12,228,601	(1,384,334)	633,324,542
Governmental activities capital assets, net	<u>\$ 820,576,459</u>	<u>\$ 112,116,422</u>	<u>\$ (49,232,929)</u>	<u>\$ 883,459,952</u>
Business-Type Activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 9,463,348	\$ 59,538	\$ -	\$ 9,522,886
Construction in progress	28,230,136	18,413,352	(16,362,604)	30,280,884
Total capital assets not being depreciated/ amortized	37,693,484	18,472,890	(16,362,604)	39,803,770
Capital assets being depreciated/amortized:				
Buildings and improvements	658,276,735	45,625,132	(346,890)	703,554,977
Equipment	19,777,889	2,418,321	(377,680)	21,818,530
Right-to-use lease equipment	214,462	496,441	(214,462)	496,441
Total capital assets being depreciated/ amortized	678,269,086	48,539,894	(939,032)	725,869,948
Less accumulated depreciation/amortization for:				
Building and improvements	279,406,482	23,926,768	(346,890)	302,986,360
Equipment	13,369,039	2,159,683	(377,680)	15,151,042
Right-to-use lease equipment	161,524	99,480	(214,462)	46,542
Total accumulated depreciation/amortization	292,937,045	26,185,931	(939,032)	318,183,944
Total capital assets being depreciated/ amortized, net	385,332,041	22,353,963	-	407,686,004
Business-type activities capital assets, net	<u>\$ 423,025,525</u>	<u>\$ 40,826,853</u>	<u>\$ (16,362,604)</u>	<u>\$ 447,489,774</u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government	\$ 4,378,085
Public safety	5,979,519
Public works	26,763,818
Culture and recreation	8,229,791
Total depreciation/amortization expense - governmental activities	<u>\$ 45,351,213</u>

Business-Type Activities:

Water and wastewater utility	\$ 25,671,652
Golf course	514,279
Total depreciation/amortization expense - business-type activities	<u>\$ 26,185,931</u>

Net Investment in Capital Assets

Detailed reconciliation of net investment in capital assets on the government-wide Statement of Net Position for September 30, 2024, follows:

	Governmental Activities	Business-Type Activities	Total
Net investment in capital assets:			
Total capital assets (net of accumulated depreciation/amortization)	\$ 883,459,952	\$ 447,489,774	\$ 1,330,949,726
Plus capital-related deferred outflows of resources	135,134	3,170,364	3,305,498
Less capital-related long-term debt	(419,558,268)	(61,125,710)	(480,683,978)
Plus unspent bond proceeds	35,695,373	-	35,695,373
Net investment in capital assets (net of related debt)	<u>\$ 499,732,191</u>	<u>\$ 389,534,428</u>	<u>\$ 889,266,619</u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

F. LONG-TERM DEBT

The following is a summary of long-term debt transactions, including current portion, of the City for the year ended September 30, 2024:

	Balance October 1, 2023	Additions	Refundings/ Retirements	Balance September 30, 2024	Due within one year
Governmental Activities					
<u>Public Placement</u>					
General obligation bonds	\$ 147,420,000	\$ 19,495,000	\$ (9,160,000)	\$ 157,755,000	\$ 8,670,000
Certificates of obligation	116,210,000	19,475,000	(4,565,000)	131,120,000	4,970,000
Limited tax notes	3,315,000	7,565,000	(920,000)	9,960,000	2,005,000
Hotel tax revenue bonds	6,720,000	-	(680,000)	6,040,000	705,000
Sales tax revenue bonds	39,035,000	-	(1,970,000)	37,065,000	2,000,000
Plus deferred amount:					
For issuance premium	17,226,338	2,204,234	(1,288,834)	18,141,738	1,495,023
For issuance discount	(25,121)	-	8,373	(16,748)	8,373
Total Public Placement	329,901,217	48,739,234	(18,575,461)	360,064,990	19,853,396
<u>Private Placement</u>					
General obligation bonds	2,420,000	-	(1,305,000)	1,115,000	370,000
Certificates of obligation	26,815,000	-	(1,980,000)	24,835,000	2,025,000
Limited tax notes	1,840,000	-	(915,000)	925,000	925,000
Total Private Placement	31,075,000	-	(4,200,000)	26,875,000	3,320,000
State Infrastructure Bank Loan	27,000,000	-	-	27,000,000	-
Notes payable	600,837	-	(600,837)	-	-
Excess sales tax liability	-	9,752,194	(3,127,511)	6,624,683	2,438,040
Leases	503,368	45,726	(251,402)	297,692	218,441
Subscriptions	6,786,699	844,836	(2,310,949)	5,320,586	2,204,430
Compensated absences	10,224,068	8,305,486	(6,850,126)	11,679,428	7,825,217
Total governmental activities	406,091,189	67,687,476	(35,916,286)	437,862,379	35,859,524
Business-Type Activities					
<u>Public Placement</u>					
Revenue bonds	59,860,000	-	(3,685,000)	56,175,000	3,860,000
Plus deferred amount:					
For issuance premium	4,815,163	-	(331,408)	4,483,755	331,408
Leases	53,074	496,441	(82,560)	466,955	119,949
Compensated absences	875,437	906,777	(691,595)	1,090,619	861,589
Total Public Placement	65,603,674	1,403,218	(4,790,563)	62,216,329	5,172,946
Total business-type activities	65,603,674	1,403,218	(4,790,563)	62,216,329	5,172,946
Total primary government	\$ 471,694,863	\$ 69,090,694	\$ (40,706,849)	\$ 500,078,708	\$ 41,032,470

The General, Hotel-Motel Occupancy Tax, Hotel-Motel Occupancy Venue Tax, and Library and Recreational Funds are responsible for liquidating the liability for compensated absences in the governmental activities and the Water and Wastewater Fund is responsible for liquidating the liability for compensated absences in the business-type activities.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Long-term debt at September 30, 2024, is comprised of the following:

	Governmental Activities Public Placement	Governmental Activities Private Placement	Business- Type Activities Public Placement
General Obligation Bonds:			
\$66,885,000 2014 GO bonds due in annual installments of \$-0- to \$4,790,000 through 2039; interest at 3.0% to 5.0%	\$ 5,265,000	\$ -	\$ -
\$32,465,000 2015 refunding bonds due in annual installments of \$-0- to \$3,445,000 through 2032; interest at 4.0% to 5.0%	2,160,000	-	-
\$6,995,000 2016 refunding bonds due in annual installments of \$-0- to \$1,755,000 through 2032; interest at 2.0% to 4.0%	2,695,000	-	-
\$28,585,000 2017 GO bonds due in annual installments of \$-0- to \$1,945,000 through 2042; interest at 3.0% to 5.0%	25,240,000	-	-
\$12,210,000 2019 refunding bonds due in annual installments of \$1,330,000 to \$1,775,000 through 2027; interest at 3.0% to 5.0%	5,070,000	-	-
\$6,980,000 2020 refunding bonds due in annual installments of \$375,000 to \$2,005,000 through 2027; interest at 1.21%	-	1,115,000	-
\$79,860,000 2022 Refunding bonds due in annual installments of \$190,000 to \$6,705,000 through 2039; interest at 1.16% to 2.97%	77,620,000	-	-
\$20,985,000 2022 GO bonds due in annual installments of \$280,000 to \$1,310,000 through 2047; interest at 3.63% to 5.0%	20,210,000	-	-
\$19,495,000 2024 GO bonds due in annual installments of \$225,000 to \$1,260,000 through 2049; interest at 4.0% to 5.0%	19,495,000	-	-
Total General Obligation Bonds	157,755,000	1,115,000	-
Certificates of Obligation:			
\$27,270,000 2014 Combination tax and limited revenue certificates of obligation due in installments of \$175,000 to \$1,700,000 through 2039; interest at 2.0% to 4.0%	4,620,000	-	-
\$6,915,000 2018 Combination tax and limited revenue certificates of obligation due in installments of \$-0- to \$510,000 through 2038; interest at 3.0% to 5.0%	5,775,000	-	-
\$27,250,000 2019 Combination tax and revenue certificates of obligation due in installments of \$-0- to \$1,740,000 through 2044; interest at 2.0% to 5.0%	24,330,000	-	-
\$30,000,000 2020 Combination tax and limited revenue certificates of obligation due in installments of \$940,000 to \$3,480,000 through 2032; interest at 1.81%	-	24,835,000	-
\$27,460,000 2021A Combination tax and limited revenue certificates of obligation due in installments of \$-0- to \$1,510,000 through 2046; interest at 2.0% to 5.0%	25,960,000	-	-
\$13,745,000 2021B Combination tax and limited revenue certificates of obligation due in installments of \$-0- to \$740,000 through 2046; interest at 2.0% to 5.0%	12,695,000	-	-
\$13,810,000 2021C Combination tax and limited revenue certificates of obligation due in installments of \$-0- to \$715,000 through 2046; interest at 2.0% to 4.0%	12,670,000	-	-
\$26,570,000 2022 Combination tax and limited revenue certificates of obligation due in installments of \$350,000 to \$1,675,000 through 2047; interest at 4.0% to 5.0%	25,595,000	-	-
\$19,475,000 2024 Combination tax and limited revenue certificates of obligation due in installments of \$225,000 to \$1,255,000 through 2049; interest at 4.0% to 5.0%	19,475,000	-	-
Total Certificates of Obligation	131,120,000	24,835,000	-

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

	Governmental Activities Public Placement	Governmental Activities Private Placement	Business- Type Activities Public Placement
Limited Tax Notes:			
\$4,500,000 2020 Limited tax notes due in annual installments of \$870,000 to \$925,000 through 2025; interest at 1.15%	\$ -	\$ 925,000	\$ -
\$2,770,000 2021 Limited tax notes due in annual installments of \$495,000 to \$605,000 through 2026; interest at 2.0% to 4.0%	1,185,000	-	-
\$1,900,000 2022 Limited tax notes due in annual installments of \$325,000 to \$425,000 through 2027; interest at 5.0%	1,210,000	-	-
\$7,565,000 2024 Limited tax notes due in annual installments of \$1,040,000 to \$1,435,000 through 2030; interest at 5.0%	7,565,000	-	-
Total Limited Tax Notes	<u>9,960,000</u>	<u>925,000</u>	<u>-</u>
Hotel Tax Revenue Bonds:			
\$4,455,000 2016 refunding bonds due in annual installments of \$30,000 to \$630,000 through 2024; interest at 2.0% to 4.0%	630,000	-	-
\$5,560,000 2021 refunding bonds due in annual installments of \$75,000 to \$515,000 through 2037; interest at 4.0%	5,410,000	-	-
Total Hotel Tax Revenue Bonds	<u>6,040,000</u>	<u>-</u>	<u>-</u>
Sales Tax Revenue Bonds:			
\$21,310,000 2019 taxable bonds due in annual installments of \$-0- to \$1.22 million through 2044; interest at 2.15% to 3.68%	18,155,000	-	-
\$20,695,000 2021 taxable bonds due in annual installments of \$-0- to \$1,010,000 through 2046; interest at 0.45% to 3.25%	18,910,000	-	-
Total Sales Tax Revenue Bonds	<u>37,065,000</u>	<u>-</u>	<u>-</u>
Utility System Revenue Bonds:			
\$8,000,000 2014 bonds due in annual installments of \$-0- to \$585,000 through 2034; interest at 2.0% to 4.0%	-	-	4,870,000
\$35,185,000 2016 refunding bonds due in annual installments of \$155,000 to \$3,400,000 through 2035; interest at 2.0% to 5.0%	-	-	33,810,000
\$32,785,000 2017 refunding bonds due in annual installments of \$360,000 to \$4,265,000 through 2039; interest at 3.0% to 5.0%	-	-	17,495,000
Total Utility System Revenue Bonds	<u>-</u>	<u>-</u>	<u>56,175,000</u>
Issuance premium	18,141,738	-	4,483,775
Issuance discount	(16,748)	-	-
State Infrastructure Bank Loan:			
\$27,000,000 loan due in annual installments of \$0 to \$1,865,000 through 2042; interest at 2.1%	27,000,000	-	-
Excess sales tax liability	6,624,683	-	-
Leases	297,692	-	466,955
Subscriptions	5,320,586	-	-
Compensated absences	11,679,428	-	1,090,619
Total Primary Government Debt	<u>\$ 410,987,379</u>	<u>\$ 26,875,000</u>	<u>\$ 62,216,349</u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

The annual requirements to amortize bonds, certificates of obligation, limited tax notes, loan and notes payable debt at September 30, 2024, including interest, are as follows:

Governmental Activities:

Year Ending Sept. 30,	General Obligation Bonds and Certificates of Obligation					
	Public Placement			Private Placement		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 13,640,000	\$ 10,551,678	\$ 24,191,678	\$ 2,395,000	\$ 463,005	\$ 2,858,005
2026	14,420,000	9,591,886	24,011,886	3,415,000	421,876	3,836,876
2027	14,940,000	9,060,439	24,000,439	3,490,000	362,284	3,852,284
2028	13,230,000	8,531,684	21,761,684	3,185,000	301,365	3,486,365
2029	13,690,000	8,057,391	21,747,391	3,255,000	243,717	3,498,717
2030-2034	70,315,000	32,740,180	103,055,180	10,210,000	372,316	10,582,316
2035-2039	74,700,000	20,697,664	95,397,664	-	-	-
2040-2044	48,250,000	9,569,325	57,819,325	-	-	-
2045-2049	25,690,000	2,338,844	28,028,844	-	-	-
	<u>\$ 288,875,000</u>	<u>\$ 111,139,091</u>	<u>\$ 400,014,091</u>	<u>\$ 25,950,000</u>	<u>\$ 2,164,563</u>	<u>\$ 28,114,563</u>

Year Ending Sept. 30,	Limited Tax Notes					
	Public Placement			Private Placement		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 2,005,000	\$ 562,308	\$ 2,567,308	\$ 925,000	\$ 10,638	\$ 935,638
2026	2,185,000	379,600	2,564,600	-	-	-
2027	1,665,000	288,500	1,953,500	-	-	-
2028	1,300,000	205,250	1,505,250	-	-	-
2029	1,370,000	140,250	1,510,250	-	-	-
2030-2034	1,435,000	71,750	1,506,750	-	-	-
	<u>\$ 9,960,000</u>	<u>\$ 1,647,658</u>	<u>\$ 11,607,658</u>	<u>\$ 925,000</u>	<u>\$ 10,638</u>	<u>\$ 935,638</u>

Year Ending Sept. 30,	Hotel Tax Revenue Bonds - Public Placement		
	Principal	Interest	Total
2025	\$ 705,000	\$ 227,500	\$ 932,500
2026	320,000	207,000	527,000
2027	335,000	193,900	528,900
2028	345,000	180,300	525,300
2029	360,000	166,200	526,200
2030-2034	2,030,000	599,000	2,629,000
2035-2039	1,945,000	159,300	2,104,300
	<u>\$ 6,040,000</u>	<u>\$ 1,733,200</u>	<u>\$ 7,773,200</u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Year Ending Sept. 30,	Sales Tax Revenue Bonds - Public Placement		
	Principal	Interest	Total
2025	\$ 2,000,000	\$ 1,060,930	\$ 3,060,930
2026	2,040,000	1,023,475	3,063,475
2027	2,075,000	982,664	3,057,664
2028	2,125,000	937,344	3,062,344
2029	2,170,000	888,498	3,058,498
2030-2034	7,490,000	3,780,961	11,270,961
2035-2039	7,885,000	2,704,372	10,589,372
2040-2044	9,295,000	1,309,390	10,604,390
2045-2049	1,985,000	97,338	2,082,338
	<u>\$ 37,065,000</u>	<u>\$ 12,784,972</u>	<u>\$ 49,849,972</u>

Year Ending Sept. 30,	State Infrastructure Bank Loan		
	Principal	Interest	Total
2025	\$ -	\$ -	\$ -
2026	1,340,000	567,000	1,907,000
2027	1,365,000	538,860	1,903,860
2028	1,395,000	510,195	1,905,195
2029	1,425,000	480,900	1,905,900
2030-2034	7,585,000	1,942,920	9,527,920
2035-2039	8,410,000	1,112,580	9,522,580
2040-2044	5,480,000	231,735	5,711,735
	<u>\$ 27,000,000</u>	<u>\$ 5,384,190</u>	<u>\$ 32,384,190</u>

Business-Type Activities:

Year Ending Sept. 30,	Utility System Revenue Bonds		
	Principal	Interest	Total
2025	\$ 3,860,000	\$ 2,092,331	\$ 5,952,331
2026	4,045,000	1,908,950	5,953,950
2027	3,350,000	1,715,100	5,065,100
2028	3,440,000	1,629,175	5,069,175
2029	3,530,000	1,540,331	5,070,331
2030-2034	18,500,000	6,088,038	24,588,038
2035-2039	19,450,000	2,558,925	22,008,925
	<u>\$ 56,175,000</u>	<u>\$ 17,532,850</u>	<u>\$ 73,707,850</u>

In prior years, the City defeased certain revenue and general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 2024, there are no bonds outstanding which have been reported as defeased.

Bond ordinances also provide for other limitations and restrictions. The City is in compliance with all significant limitations and restrictions contained in the various bond ordinances.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

In May 2023, the City of Round Rock's voters authorized the issuance of general obligation bonds to fund capital assets of the general government. Residents approved two bond propositions totaling \$274 million for capital projects to improve public safety, parks, recreation, and sports. The full faith and credit of the City, as well as the city's ad valorem taxing authority, back general obligation bonds.

Purpose	Date Authorized	Amount Authorized	Amount Issued	Unissued Balance
Public Safety	5/6/2023	\$ 44,000,000	\$ 10,000,000	\$ 34,000,000
Parks, Recreation, and Sports	5/6/2023	230,000,000	10,000,000	220,000,000
		<u>\$ 274,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 254,000,000</u>

The City may incur non-voted debt payments from or secured by its levy and collection of ad valorem taxes and other sources of revenue, including tax notes, public property finance contractual obligations, leases and subscriptions for various purposes.

Utility Revenue Bonds

Utility revenue bonds are used to finance the acquisition and construction of major capital improvements to the City's water and wastewater systems. The City is required by bond ordinances to pledge the net revenues of the waterworks and wastewater system for the retirement of its outstanding revenue bonds, including interest thereon, and is required for such purposes to maintain debt service funds and bond reserve funds for all outstanding revenue bonds.

The debt service funds are restricted within the Enterprise Fund and require that net revenues of the City's waterworks and wastewater system, after operating and maintenance expenses are deducted, be irrevocably pledged by providing equal monthly installments which will accumulate to the semi-annual principal and interest requirements as they become due. For fiscal year 2024, net revenues available for debt service were 5.47 times the average annual debt service requirement.

The bond reserve funds for revenue bond retirement are also restricted within the Enterprise Fund. The City is in compliance with the requirement to maintain a combined reserve fund containing cash and investments in an amount equal to the average annual principal and interest requirements of all bonds then outstanding. The City also covenants under the bond indentures that reserve funds shall be invested in time deposits, certificates of deposit and direct or guaranteed obligations of the United States of America.

Hotel Tax Revenue Bonds

Hotel occupancy tax revenue bonds were issued to fund the City's portion of the convention center complex. The debt service fund for the hotel tax revenue bonds, aggregating \$646,846 at September 30, 2024, is reported in the governmental funds. Bond covenants require that the hotel tax revenues be irrevocably pledged by providing quarterly installments, which will accumulate to the semi-annual principal and interest requirements as they become due.

The bond reserve fund for hotel tax revenue bond retirement aggregates \$969,922 at September 30, 2024. This amount is in compliance with the requirements contained in the bond's Indenture Agreement. This agreement requires ½ of the average annual debt service requirements of the bonds in the reserve fund be deposited upon issuance of the bonds, with quarterly installments until the required reserve is attained.

CITY OF ROUND ROCK, TEXAS
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Sales Tax Revenue Bonds

Sales tax revenue bonds have been issued to fund transportation improvements. The Round Rock Transportation and Economic Development Corporation (RRTEDC) issued the sales tax revenue bonds. RRTEDC is a blended component unit of the City of Round Rock, which collects half of 1% of the sales tax collected by the State on its behalf. Although RRTEDC is presented as a blended component unit, none of the City's assets are pledged to payment of the bonds. The bonds are secured solely by a pledge of the revenues of the RRTEDC.

The debt service fund for the sales tax revenue bonds, aggregating \$1,904,157 at September 30, 2024, is reported in the governmental funds. Bond covenants require that RRTEDC's share of the sales tax is pledged as security for the bonds. RRTEDC provides monthly installments that accumulate to the semi-annual principal and interest requirements as they become due.

A reserve fund was not established for these bonds. RRTEDC purchased bond insurance to provide for payment of the principal and interest requirements in the event that pledged revenues are not sufficient.

2024 Issuances

In May of 2024, the City issued \$19,495,000 of General Obligation bonds, Series 2024. The bonds were issued with an interest rate of 4.0% to 5.0% and mature through 2049. Proceeds from the sale will be used for (1) constructing, improving, extending, expanding, upgrading, and/or developing City parks, recreation and sports projects and facilities, comprised of: a new recreation center building that also includes parks and recreation administration offices, an outdoor track, multi-purpose athletic fields, tennis complex relocation, Lakeview Pavilion improvements, Rock'N River Water park expansion, Clay Madsen Recreation Center remodel, Sports Center Expansion, Lawn at Brushy Creek Park development, cityside trail expansion, Play For All Park improvements, and systemwide park improvements, as further set forth in Proposition A approved at the May 6, 2023, election; (2) constructing, improving, extending, expanding, upgrading, and/or developing City public safety projects and facilities, comprised of: improving the City's Public Safety Training Center, relocation of the Central Fire Station, and two new fire stations, as further set forth in Proposition B approved at the May 6, 2023, election; and (3) paying the cost of issuing the Bonds.

Additionally, in May 2024, the City issued \$19,475,000 of Combination Tax and Limited Revenue Certificates of Obligation, Series 2024. The certificates were issued with a rate of 4.0% to 5.0% and mature through 2049. Proceeds from the sale will be used for paying contractual obligations incurred or to be incurred by the City for (1) constructing, expanding, and equipping a City public works complex comprised of office and administrative facilities for the City transportation employees and equipment and for maintenance of City police, fire, utility, and transportation vehicles; (2) constructing, improving, extending, expanding, upgrading and/or developing streets, roads, bridges, sidewalks, intersections, traffic signalization, and other transportation improvement projects including related waterworks, sewer and drainage improvements, signage, landscaping, irrigation, purchasing any necessary rights-of-way, and other related transportation costs, including, but not limited to arterial bottleneck and sidewalk improvements, arterial street maintenance, Chisholm Trail North and South, County Road 112, Eagles Nest, Gattis School Road Segments 2, 4, 5, and 6, Greenlawn Boulevard, Harrell Parkway, Kenney Fort Boulevard Segments 5 and 6, North Mays Gap/Widening, Old Settlers Boulevard, Red Bud North and South, US 79, and Wyoming Springs; and (3) paying related professional services including for-construction managers, engineers, architects, attorneys, auditors, financial advisors, fiscal agents, and costs related to issuing the Certificates.

The City also issued \$7,565,000 Limited Tax Notes, Series 2024. The notes issued with an interest rate of 5.0% and mature through 2030. The proceeds will be used for (1) purchasing City vehicles for the City's police, fire, parks, transportation, and building construction and facility maintenance departments and replacement vehicles for other City departments as needed; and (2) paying the cost of issuing the Notes.

**CITY OF ROUND ROCK, TEXAS
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Excess Sales Tax Liability

The City negotiated a long-term payout of excess sales tax received in prior years in the amount of approximately \$9.8 million, with the State Comptroller. This amount was collected by the City and the RRTEDC during the fiscal year periods 2012 through 2017. The total negotiated payout requires a four year repayment period of equal amounts deducted monthly from City's and the RRTEDC's sales tax receipts beginning with March 2024. In May 2024, a partial reversal by the Comptroller resulted in a lump sum deduction of \$1.7M against the total amount due. The \$203,170 monthly payments are to remain the same but shortens the repayment period by 8 months. No interest is associated with this long-term liability.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

G. LEASES

To enhance the relevance and consistency of information about the City's leasing activities, the City established a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset.

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

At September 30, 2024 the City, has 11 active leases. The leases have payments that range from \$734 to \$83,442 and interest rates that range from 0.2280% to 8.5000%. The total combined value of the lease liability is \$764,647, and the total combined value of the short-term lease liability is \$338,390. The combined value of the right-to-use asset of \$1,269,928 with accumulated amortization of \$523,229 is included within the Lease Class activities table found below.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	Lease Asset Value	Accumulated Amortization
Equipment	\$ 1,269,928	\$ 523,229
Total Leases	\$ 1,269,928	\$ 523,229

Principal and Interest Requirements to Maturity

Business-Type Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	\$ 119,949	\$ 11,110	\$ 131,059
2026	123,222	7,837	131,059
2027	126,584	4,475	131,059
2028	97,200	1,095	98,295
Total Principal Payments	466,955		
Cumulative Variance as of Fiscal Year-End	-		
Total Remaining Liability	\$ 466,955		
Governmental Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	\$ 218,441	\$ 7,186	\$ 225,627
2026	70,670	857	71,527
2027	8,581	92	8,673
Total Principal Payments	297,692		
Cumulative Variance as of Fiscal Year-End	-		
Total Remaining Liability	\$ 297,692		

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

H. SUBSCRIPTIONS

To enhance the relevance and consistency of information about the City's subscriptions activities, established establishes a single model for subscription accounting based on the principal that subscriptions are financings of the right to use of an underlying asset.

The City recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide and proprietary financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At September 30, 2024 the City has 20 active subscriptions. The subscriptions have payments that range up to \$1,338,839 and interest rates that range from 2.3100% to 3.7890%. The total combined value of the subscription liability is \$5,320,586, and the total combined value of the short-term subscription liability is \$2,204,430. The combined value of the right-to-use asset of \$9,364,531 with accumulated amortization of \$3,480,680 is included within the Subscription Class activities table found below.

Amount of Subscription Assets by Major Classes of Underlying Asset

Asset Class	Subscription Asset Value	Accumulated Amortization
Software	\$ 9,364,531	\$ 3,480,680
Total Subscriptions	<u>\$ 9,364,531</u>	<u>\$ 3,480,680</u>

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 2,204,430	\$ 138,114	\$ 2,358,511
2026	1,586,577	80,619	1,651,229
2027	1,479,307	39,040	1,518,347
2028	31,509	939	32,448
2029	18,763	164	18,927
Total Principal Payments	5,320,586		
Cumulative Variance as of Fiscal Year-End	-		
Total Remaining Liability	<u>\$ 5,320,586</u>		

I. ACCRUED COMPENSATED ABSENCES

Changes to accrued compensated absences for the year ended September 30, 2024, were as follows:

	Governmental Activities	Business-Type Activities
Balance, October 1, 2023	\$ 10,224,068	\$ 875,437
Additions	8,305,486	906,777
Reductions	(6,850,126)	(691,595)
Balance, September 30, 2024	<u>\$ 11,679,428</u>	<u>\$ 1,090,619</u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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Accrued compensated absences due within one year were \$7,825,217 for governmental activities and \$861,589 for business-type activities. Liabilities for accrued compensated absences are funded from General, Hotel-Motel Occupancy Tax, Hotel-Motel Occupancy Venue Tax, and Library and Recreational Funds revenues for the governmental activities and Water and Wastewater Fund program revenues for the business-type activities.

J. RESTRICTED ASSETS

The following summarizes restricted assets by purpose at September 30, 2024:

	Cash and Cash Equivalents	Investments	Property Taxes Receivable	Sales Tax Receivable	Accrued Interest Receivable
Governmental Activities:					
General Fund	\$ 1,033,713	\$ -	\$ -	\$ -	\$ -
Debt Service Fund	5,428,676	-	273,349	-	-
Restricted by debt covenants - Round Rock Transportation and Economic Development Corporation Fund	57,122,280	112,597,680	-	2,097,162	887,035
Debt-Financed Capital Projects Fund	13,996,687	-	-	-	-
Roadway Impact Fees Fund	1,621,678	5,689,632	-	-	37,647
Other Governmental funds	860,962	3,020,671	-	-	-
Total Governmental Activities	<u>\$ 80,063,996</u>	<u>\$ 121,307,983</u>	<u>\$ 273,349</u>	<u>\$ 2,097,162</u>	<u>\$ 924,682</u>

	Cash and Cash Equivalents	Investments	Accrued Interest Receivable
Business-Type Activities:			
Water and Wastewater Fund - Impact fees	\$ 698,858	\$ 2,451,936	\$ -
Construction	1,551,227	5,442,461	-
Customer deposits	1,173,288	-	-
Revenue bond debt service	128,545	-	-
Accrued interest receivable	-	-	53,797
Total Business-Type Activities	<u>\$ 3,551,918</u>	<u>\$ 7,894,397</u>	<u>\$ 53,797</u>

V. OTHER INFORMATION

A. COMMITMENTS AND CONTINGENCIES

Tax Collections

The City has a contract with the tax offices of Williamson and Travis counties to collect City taxes and deposit monies into the City's accounts. For this service, Williamson County was paid \$11,796 and Travis County was paid \$1,176 for the fiscal year ended September 30, 2024.

CITY OF ROUND ROCK, TEXAS
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Commitments for Road Construction

The City's component unit, the Round Rock Transportation and Economic Development Corporation has entered into various commitments with the State of Texas, Department of Transportation and neighboring cities/counties relative to the construction of roadways.

Water Supply Agreements

On May 2, 1978, the City entered into the "Water Supply Contract" with the Brazos River Authority (BRA), providing the City the right to purchase 6,720 acre-feet of water per year from Lake Georgetown. A new agreement, "System Water Availability Agreement for Lake Georgetown" dated September 1, 2001, replaced that agreement. The new agreement revised the rate methodology from a tiered system rate, wherein rates change based upon the City's consumption, to a level system rate. For the fiscal year ended September 30, 2024, the City's cost under this contract was \$628,320.

On September 12, 1991, the City entered into the "Replacement Water Supply Agreement" with the BRA, wherein it received the right to purchase 8,134 acre-feet of water per year from Stillhouse Hollow Lake. Rights for an additional 10,000 acre-feet of water were acquired in the November 13, 1996, "System Water Supply Agreement". These agreements were replaced with the "System Water Availability Agreement for Lake Stillhouse Hollow" dated September 1, 2001. Under this agreement, the City purchases 18,134 acre-feet per year at the new system rate. For the fiscal year ended September 30, 2024, the City's cost under this contract was \$1,695,529.

Effective September 1, 2001, the City entered into a "System Water Availability Agreement for Colorado River Basin Water" with the BRA, wherein it received reserved water rights for an additional 6,944 acre-feet of water. Two subsequent agreements granted Round Rock rights to 13,984 additional acre-feet of water per year from the Colorado River Basin. For the fiscal year ended September 30, 2024, the City's cost under these contracts was \$1,915,859.

Future annual charges under the Water Supply Agreements will be based upon the system rate periodically set by the BRA.

Regional Wastewater Project

In December 2009, the Cities of Round Rock, Austin and Cedar Park purchased the Brushy Creek Regional Wastewater System (BCRWWS) assets from the Lower Colorado River Authority and entered into a Master Contract for the Financing, Construction, Ownership and Operation of the BCRWWS. The Master Contract provided for the terms and conditions by which the cities would jointly own and operate the BCRWWS.

In June 2010, the Cities of Round Rock, Austin and Cedar Park sold a share of the BCRWWS assets to the City of Leander, and all parties entered into the Amended and Restated Master Contract for the Financing, Construction, Ownership and Operation of the Brushy Creek Regional Wastewater System.

The BCRWWS treatment plant ownership is allocated based on the amount of reserved capacity each city has in the system. The system currently has a total treatment capacity of 33.0 MGD which is sufficient to meet future projected flows through 2028. The City of Round Rock's current reserved capacity in the system is 20.05 MGD, or 60.76%, of total treatment capacity.

The Cities of Round Rock, Austin, Cedar Park and Leander entered into an interlocal agreement in July 2018 for the City of Round Rock to take over operations and maintenance of the BCRWWS effective October 1, 2018. Previously, the BCRWWS was operated by the Brazos River Authority on behalf of the cities.

CITY OF ROUND ROCK, TEXAS
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The cost of the BCRWWS operation and maintenance expenses are allocated based on each city's annual flow percentage into the system. For fiscal year ended September 30, 2024, the City of Round Rock's allocated share of operation and maintenance expenses was 70.51%.

Other

The City is a defendant in a number of lawsuits arising principally from claims against the City for alleged improper actions by City employees. Total damages claimed are substantial; however, it has been the City's experience that such actions are usually dismissed or settled for amounts substantially less than the claimed amounts. The City Attorney estimates that the potential claims against the City not covered by various insurance policies would not materially affect the financial condition of the City.

Arbitrage Rebate

Due to requirements of the Tax Reform Act of 1986, the City annually contracts for the computations of arbitrage rebate requirements for the City's various bond issues. At September 30, 2024, the potential rebate was calculated at \$12,551.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan that permits them to defer a portion of their current salary until future years. Any contributions made to the deferred compensation plan, in compliance with Section 457 of the Internal Revenue Code (IRC), are not available to employees until termination of employment, retirement, death or an unforeseen emergency. A third-party administrator, Nationwide Retirement Solutions, administers contributions to the plan. Effective January 1997, and in compliance with the provisions of the IRC Section 457(g), the plan assets are in custodial accounts for the exclusive benefit of the plans' participants and beneficiaries. In accordance with GASB Statement No. 32, the City provides neither administrative services nor investment advice to the plans and therefore, no fiduciary relationship exists between the City and the deferred compensation plan.

Economic Development

The City enters into economic development agreements designed to promote development and redevelopment within the City, create primary jobs, stimulate commercial activity, generate additional sales tax, and enhance the property tax base and economic vitality of Round Rock. The City negotiates property tax, hotel occupancy tax, and sales tax rebates and incentives on an individual basis. Each agreement was negotiated under Chapter 380 of the Texas Local Government Code. Under a 380 economic development agreement, the recipient pays the total taxes due to the City and the City rebated a portion of the taxes paid based on the terms of the agreement. The City has a recapture clause in each agreement. Amounts paid for the rebate and incentive program for the year ended September 30, 2024, are summarized below. No tax abatements were made under Chapter 312, Property Redevelopment and Tax Abatement Act, of the Texas Local Government Code.

<u>Rebate and Incentive Programs</u>	<u>Amount</u>
Hotel Occupancy Tax	\$ 2,015,571
Property Tax	1,113,631
Sales Tax	10,368,850

The City is not subject to any tax abatement agreements entered into by other governmental entities. However, the City may also act as a conduit for the refunding of state sales and hotel occupancy taxes generated by a qualifying project under Sections 151.429(h), 351.102(b), and 351.1022 of the Texas Tax Code Sections 2302.5055 of the Texas Government Code, and other applicable laws.

CITY OF ROUND ROCK, TEXAS
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B. RISK MANAGEMENT

The City is a member of the Texas Municipal League's Intergovernmental Risk Pool (Pool). The Pool was created for the purpose of providing coverage against risks, which are inherent in operating a political subdivision. The City pays annual premiums to the Pool for liability, property and workers' compensation and numerous other coverages. All billed premiums upon the coverage have been paid. The City's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will provide reinsurance contracts through commercial companies. The Pool agrees to handle all liability, property and workers' compensation and other claims, including the costs of defense, as is necessary. The Pool makes available to the City loss control services to assist the City in following a plan of loss control that may result in reduced losses. The City agrees that it will cooperate in instituting any and all reasonable loss control recommendations made by the Pool. The City has experienced no significant reductions in coverage through the Pool over the past year. There have been no insurance settlements exceeding Pool coverage for any of the past three years.

Self-Funded Health Insurance Fund

The City is self-funded for employee medical and dental benefits. The self-insurance program is maintained in the Self-Funded Health Insurance Internal Service Fund. This program provides health benefit coverage in accordance with a pre-approved plan that establishes coverage limits per employee per year with contributions provided by both the City and participating employees.

Group medical and dental benefit claims are administered by third party insurance providers. Throughout the policy year, the excess "stop loss" insurance carrier reimburses the City for catastrophic medical claims that exceed \$200,000 per insured. The minimum annual aggregate deductible is \$15,914,014 or 95% of the first monthly aggregate deductible amount times 12, whichever is greater. An analysis of claims activities is presented below:

Fiscal Year	Beginning Liability	Claims and Changes in Estimates	Actual Claim Payments	Ending Liability
2022	\$ 853,154	\$ 12,960,388	\$ 13,298,843	\$ 514,699
2023	514,699	13,468,525	12,980,217	1,003,007
2024	1,003,007	15,233,470	15,017,823	1,218,654

C. EMPLOYEE RETIREMENT PLAN

Plan Description

The City participates as one of 934 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Title 8, Subtitle G (TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS does not is not fiscally dependent on the State of Texas. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmr.com.

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

CITY OF ROUND ROCK, TEXAS
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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. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

A summary of plan provisions for the City is as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years and any age, vested and age 60
Updated Service Credit	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating
Supplemental death benefits for employees and retirees	Yes

Employees Covered by Benefit Terms

At the December 31, 2023, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	496
Inactive employees entitled to but not yet receiving benefits	599
Active employees	1,090
Total	<u>2,185</u>

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the entry age normal actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their total compensation during the fiscal year. The City elected to contribute for calendar years 2023 and 2024 as follows:

	<u>2023</u>	<u>2024</u>
Total Retirement Rate	16.20%	16.98%
Supplemental Death Benefit	0.24	0.24
Total Combined Contribution	<u>16.44%</u>	<u>17.22%</u>

The City's contributions to TMRS for the year ended September 30, 2024, were \$16,299,740 and were equal to the required contributions.

CITY OF ROUND ROCK, TEXAS
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Net Pension Liability

The City's net pension liability (NPL) was measured as of December 31, 2023, 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, 2022, actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018, to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for annuity purchase rates is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target percentage. The target allocation and best estimates of the expected return for each major asset class in fiscal year 2024 are summarized in the table that follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public and Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	10.0%	11.6%
Total	100.0%	

CITY OF ROUND ROCK, TEXAS
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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, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2022	\$ 404,450,942	\$ 324,386,853	\$ 80,064,089
Changes for the year:			
Service cost	16,203,730	-	16,203,730
Interest	27,373,626	-	27,373,626
Difference between expected and actual experience	5,711,268	-	5,711,268
Changes in Assumptions	(941,355)	-	(941,355)
Contributions - employer	-	14,591,459	(14,591,459)
Contributions - employee	-	6,304,954	(6,304,954)
Net investment income	-	37,622,396	(37,622,396)
Benefit payments, including refunds of employee contributions	(14,035,219)	(14,035,219)	-
Administrative expense	-	(238,847)	238,847
Other	-	(1,669)	1,669
Net changes	34,312,050	44,243,074	(9,931,024)
Balance at December 31, 2023	<u>\$ 438,762,992</u>	<u>\$ 368,629,927</u>	<u>\$ 70,133,065</u>

Sensitivity of the Net Pension Liability 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 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
City's Net Pension Liability	\$ 137,431,208	\$ 70,133,065	\$ 15,231,004

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position by participating City. That report may be obtained at www.tmr.com.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

For the year ended September 30, 2024, the City recognized a decrease to pension expense of \$2,586,000. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 13,388,752	\$ -
Difference between projected and actual investment earnings	8,386,956	-
Changes in actuarial assumptions used to determine pension liability	75,620	754,577
Pension contributions after measurement date	11,970,972	-
Total	<u>\$ 33,822,300</u>	<u>\$ 754,577</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$11,970,972 will be recognized as a reduction of the NPL for the measurement year ending December 31, 2024, (i.e., recognized in the City's financial statements September 30, 2025). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 6,760,095
2025	6,522,173
2026	9,601,702
2027	(1,825,071)
2028	37,854
Thereafter	-
Total	<u>\$ 21,096,753</u>

D. OTHER POST-EMPLOYMENT BENEFITS

The City participates in funding two OPEB plans. One plan is the Supplemental Death Benefits Fund (SDBF) administered by TMRS. The other is medical and prescription drug coverage offered to retirees and their dependents and is a self-funded health insurance plan.

SDBF: TMRS administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which the City has elected, by ordinance, to provide group-term life insurance coverage (supplemental death benefits) to both current and retired employees. The City 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 retiree portion of the SDBF is considered a single-employer plan.

Self-Funded Health Insurance: The City offers its retirees and their dependents medical, dental and vision insurance until age 65. Medical insurance includes prescription drug coverage. The plans are the same as the active plans. The retirees are required to make significantly higher contributions than the actives. However, these higher contributions still do not fully cover the cost of the retirees on a stand-alone basis, thus generating a retiree medical liability. Once a retiree or dependent becomes eligible for Medicare at age 65, he/she is no longer eligible for benefits. Also, retirees are no longer eligible if they have insurance or are eligible for insurance through another employer. This significantly limits the number of retirees on the plan, the benefits paid during the life of a retiree and consequently, the liability. This plan is considered a single-employer defined benefit OPEB plan.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Benefits Provided

SDBF: Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. 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). Retired employees are insured for \$7,500; this coverage is an "other post-employment benefit," or OPEB. The City offers supplemental death benefits to both active employees and retirees.

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).

Self-Funded Health Insurance: All retirees who are eligible to receive pension benefits under the City's pension system are eligible for OPEB. Retirees may also enroll eligible dependents under the medical, dental, and vision plan(s) in which they participate. Eligible dependents of the retiree include a legally married spouse, children under age 26, and eligible disabled children beyond 26 years of age, if covered prior to age 26. A surviving spouse of a deceased retiree is ineligible to continue retiree medical, dental, and/or vision coverage. However, a surviving spouse may elect COBRA coverage for no more than 36 months and are required to pay the entire COBRA premium plus a 2 percent administrative fee.

Employees Covered by Benefit Terms

At the December 31, 2023, valuation and measurement date, the following employees were covered by the benefit terms:

SDBF:

Inactive employees currently receiving benefits	407
Inactive employees entitled to but not yet receiving benefits	168
Active employees	<u>1,090</u>
Total	<u><u>1,665</u></u>

Self-Funded Health Insurance:

Inactive employees (retirees)	37
Active employees	<u>1,006</u>
Total	<u><u>1,043</u></u>

Contributions

SDBF: The City contributes to SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance and represents 0.24% of required contributions. The City's contributions to SDBF for the years ended 2024, 2023, and 2022 were \$57,480, \$24,027, and \$17,967, respectively, which equaled the required contributions each year. 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.

The retiree-only portion of the SDBF rate was 0.06% for the years ended 2024, and 2023, and .05% for the year ended 2022.

Self-Funded Health Insurance: OPEB are funded on a pay-as-you-go basis. The City recognizes the cost of providing these benefits as an expense and corresponding revenue in the Internal Service Fund (self-funded health insurance). Medical, dental, vision, and life insurance premiums are reported in this fund.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

The City is under no obligation, statutory or otherwise, to offer OPEB or to pay any portion of the cost of OPEB to any retirees or their dependents. Allocation of City funds to pay OPEB or to make OPEB available is determined on an annual basis by the City Council as part of the budget approval process.

Total OPEB Liability

For the fiscal year ended September 30, 2024, the City recognized a total OPEB liability of \$19,745,485, \$2,567,643 of which was for the SDBF, and \$17,177,842 for the Self-Funded Health Insurance plan. Both were measured as of December 31, 2023, and were determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions:

	SDBF	Self-Funded Health Insurance
Inflation	2.5%	2.5%
Salary increases	3.5% to 11.85% including inflation	3.0%
Discount rate**	3.77%	3.92%
Healthcare cost trend rate	None	Getzen model (7.73% to 3.94%)
Retirees' share of benefit-related costs	\$ 0	Varies based on plan elected and years of service
Actuarial cost method***	Entry Age Normal Actuarial Cost Method	Entry Age Normal Cost Method
Mortality	<p>For service retirees: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and females rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).</p> <p>For disabled retirees: 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.</p>	<p>Mortality rates were based on the PUB-2010 General Table projected using MP-2021. The mortality table was switched to the PUB-2010 as this is more tailored to public entities.</p>
Development of claims	None	Retiree medical and pharmacy claims, as well as administrative fees, were projected to the following fiscal year and age-adjusted to age 65. Retiree contributions were netted out. That net cost is assumed to be of a retiree at the average age of retirees. Costs were then spread to the other ages by using the age factors developed by the Society of Actuaries Unisex model.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

** Because this plan is considered an unfunded trust under GASB Statement No. 75, the relevant discount rate for calculating the total OPEB liability is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

*** This method develops the annual cost of the plan in two parts: that attributable to benefits accruing in the current year, known as the normal cost, and that due to service earned prior to the current year, known as the amortization of the unfunded actuarial accrued liability. The normal cost and the actuarial accrued liability are calculated individually for each member. The normal cost rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the City, would be sufficient to meet all benefits payable on their behalf. The normal cost is calculated using an entry age based on benefit service with the current city. If a member has additional time-only vesting service through service with other TMRS cities or other public agencies, they retain this for determination of benefit eligibility and decrement rates. The salary-weighted average of these rates is the total normal cost rate. The unfunded actuarial accrued liability reflects the difference between the portion of projected benefits attributable to service credited prior to the valuation date and assets already accumulated.

Specific to the self-funded health insurance plan, at the time the employee enters the plan (usually at date of hire), the present value of future benefits is set equal to the present value of future normal costs. Instead of the normal costs being a level dollar amount, they are set as a level percent of salary. The accrued liability then is just the present value of past normal costs brought forward from the entry date to the measurement date.

SDBF: The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation.

Changes in the Total OPEB Liability

	SDBF	Self-Funded Health Insurance	Total
Balance at December 31, 2022	\$ 2,285,345	\$ 18,209,872	\$ 20,495,217
Changes for the year:			
Service cost	108,085	1,373,314	1,481,399
Interest	93,651	775,205	868,856
Differences between expected and actual experience	(527)	(2,191,053)	(2,191,580)
Changes in assumptions or other inputs	135,131	(446,469)	(311,338)
Benefit payments	(54,042)	(543,027)	(597,069)
Net changes	282,298	(1,032,031)	(749,732)
Balance at December 31, 2023	\$ 2,567,643	\$ 17,177,841	\$ 19,745,485

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

The following tables present the total OPEB liability of the City, calculated using the discount rate (3.77% for SDBF and 3.92% for the Self-Funded Health Insurance plan), as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease 2.77%	Current Discount Rate 3.77%	1% Increase 4.77%
SDBF	\$ 3,125,443	\$ 2,567,643	\$ 2,138,765

	1% Decrease 2.92%	Current Discount Rate 3.92%	1% Increase 4.92%
Self-Funded Health Insurance	\$ 18,164,642	\$ 17,177,842	\$ 16,211,848

The following table presents the total OPEB liability of the City, calculated using the healthcare trend rate of 7.73% to 3.94%, as well as what the City's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower (6.73% to 2.94%) or 1-percentage-point higher (8.73% to 4.94%) than the current healthcare trend rate:

	1% Decrease	Healthcare Trend Rate	1% Increase
Self-Funded Health Insurance	\$ 15,576,035	\$ 17,177,842	\$ 19,015,079

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended September 30, 2024, the City recognized total OPEB expense of \$1,612,344 \$149,124 of which was for the SDBF, and \$1,463,220 for the Self-Funded Health Insurance plan. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	SDBF	Self-Funded Health Insurance	Total	SDBF	Self-Funded Health Insurance	Total
Difference between expected and actual economic experience	\$ 14,101	\$ -	\$ 14,101	\$ 66,498	\$ 2,376,131	\$ 2,442,629
Changes in assumptions and other inputs	526,760	906,894	1,433,654	959,041	2,005,162	2,964,203
OPEB contributions after measurement date	42,299	317,719	360,018	-	-	-
Total	<u>\$ 583,160</u>	<u>\$ 1,224,613</u>	<u>\$ 1,807,773</u>	<u>\$ 1,025,539</u>	<u>\$ 4,381,293</u>	<u>\$ 5,406,832</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$360,018 will be recognized as a reduction of the total OPEB for the measurement year ending December 31, 2024 (i.e., recognized in the City's financial statements September 30, 2025). Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Measurement Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources	
	SDBF	Self-Funded Health Insurance
2024	\$ (68,443)	\$ (605,787)
2025	(58,458)	(666,966)
2026	(94,352)	(666,966)
2027	(153,384)	(719,765)
2028	(121,723)	(577,502)
Thereafter	11,682	(237,413)
Total	<u>\$ (484,678)</u>	<u>\$ (3,474,399)</u>

E. MUNICIPAL GOLF COURSE

Management Agreement

Management of the City's golf course has been performed by a private operator in accordance with the terms of a Management Agreement since 1989. The current Management Agreement had an initial term of three years that shall automatically renew for two additional 1-year terms. The agreement began on January 1, 2017, with the sixth 1-year renewal period beginning on January 1, 2025. The contract will continue automatic 1-year renewal terms unless one of the parties chooses to terminate. Under conditions set forth in the Management Agreement, the operator shall be paid a monthly base management fee. Additionally, the operator may earn an annual incentive management fee based upon gross receipts of the golf course.

F. SUBSEQUENT EVENTS

Ground Lease Agreement Amendments

On November 21, 2024, the City executed a First Amendment to the Memorandum of Lease and Option and A Fourth Amendment to the Ground Lease Agreement between the City and KR CC, Inc. removing 30 acres immediately adjacent to the regional wastewater treatment facility from the ground lease, allowing the City to own the property outright. In exchange, the \$10.5 million deferred payment due the City December 20, 2024, is further deferred until December 30, 2029, and is amended to \$6.8 million.

BCRUA Debt Issuance

In November 2024, the BCRUA completed the issuance of \$70,590,000 of contract revenue bonds to provide additional financing for future capital improvements. This issuance included \$31,500,000 in contract revenue bonds on behalf of the City.





CITY OF ROUND ROCK, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024
(UNAUDITED)

Texas Municipal Retirement System (TMRS) Plan
Schedule of Changes in the Net Pension Liability and Related Ratios

Measurement period ended December 31,	2014	2015	2016	2017
<u>Total Pension Liability</u>				
Service cost	\$ 8,066,254	\$ 8,990,916	\$ 9,609,823	\$ 10,430,650
Interest (on the Total Pension Liability)	13,330,143	14,481,391	15,065,206	16,360,878
Difference between expected and actual experience	(50,055)	(662,530)	704,655	671,908
Change of assumptions	-	(1,208,085)	-	-
Benefit payments, including refunds of employee contributions	(5,231,094)	(5,493,451)	(5,706,408)	(7,483,495)
Net Change in Total Pension Liability	16,115,248	16,108,241	19,673,276	19,979,941
Total Pension Liability - Beginning	189,013,034	205,128,282	221,236,523	240,909,799
Total Pension Liability - Ending (a)	<u>\$ 205,128,282</u>	<u>\$ 221,236,523</u>	<u>\$ 240,909,799</u>	<u>\$ 260,889,740</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - Employer	\$ 7,787,328	\$ 8,195,714	\$ 8,302,118	\$ 9,138,705
Contributions - Employee	3,423,287	3,644,800	3,779,341	4,113,985
Net investment income	8,955,552	252,867	12,021,503	27,187,574
Benefit payments, including refunds of employee contributions	(5,231,094)	(5,493,451)	(5,706,408)	(7,483,495)
Administrative expense	(93,479)	(154,001)	(135,695)	(140,808)
Other	(7,685)	(7,607)	(7,311)	(7,136)
Net Change in Plan Fiduciary Net Position	14,833,909	6,438,322	18,253,548	32,808,825
Plan Fiduciary Net Position - Beginning	156,512,946	171,346,855	177,785,177	196,038,725
Plan Fiduciary Net Position - Ending (b)	171,346,855	177,785,177	196,038,725	228,847,550
Net Pension Liability - Ending (a) - (b)	<u>\$ 33,781,427</u>	<u>\$ 43,451,346</u>	<u>\$ 44,871,074</u>	<u>\$ 32,042,190</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	83.53%	80.36%	81.37%	87.72%
Covered Payroll	\$ 48,839,040	\$ 51,731,390	\$ 53,776,289	\$ 58,533,388
Net Pension Liability as a Percentage of Covered Payroll	69.17%	83.99%	83.44%	54.74%

Notes to Schedule:

- 1) No significant factors noted to disclose.
- 2) No significant methods and assumptions to disclose.

See Independent Auditors' Report.

2018	2019	2020	2021	2022	2023
\$ 11,165,127 17,747,611	\$ 12,125,301 19,262,844	\$ 13,315,518 21,130,343	\$ 13,320,453 22,912,308	\$ 14,680,601 24,990,566	\$ 16,203,730 27,373,626
773,706 -	4,071,075 608,160	2,225,761 -	5,600,114 -	8,160,742 -	5,711,268 (941,355)
(7,089,473)	(8,347,798)	(9,643,873)	(10,905,346)	(12,542,538)	(14,035,219)
22,596,971	27,719,582	27,027,749	30,927,529	35,289,371	34,312,050
260,889,740	283,486,711	311,206,293	338,234,042	369,161,571	404,450,942
<u>\$ 283,486,711</u>	<u>\$ 311,206,293</u>	<u>\$ 338,234,042</u>	<u>\$ 369,161,571</u>	<u>\$ 404,450,942</u>	<u>\$ 438,762,992</u>
\$ 9,753,253 4,406,956 (6,861,490)	\$ 10,471,204 4,793,245 35,438,150	\$ 11,366,407 5,184,834 20,602,217	\$ 11,712,945 5,177,300 38,962,631	\$ 13,046,505 5,728,802 (25,094,034)	\$ 14,591,459 6,304,954 37,622,396
(7,089,473)	(8,347,798)	(9,643,873)	(10,905,346)	(12,542,538)	(14,035,219)
(132,486)	(199,970)	(133,140)	(180,015)	(216,792)	(238,847)
(6,921)	(6,007)	(5,193)	1,233	258,697	(1,669)
69,839	42,148,824	27,371,252	44,768,748	(18,819,360)	44,243,074
228,847,550	228,917,389	271,066,213	298,437,465	343,206,213	324,386,853
228,917,389	271,066,213	298,437,465	343,206,213	324,386,853	368,629,927
<u>\$ 54,569,322</u>	<u>\$ 40,140,080</u>	<u>\$ 39,796,577</u>	<u>\$ 25,955,358</u>	<u>\$ 80,064,089</u>	<u>\$ 70,133,065</u>
80.75%	87.10%	88.23%	92.97%	80.20%	84.02%
\$ 62,831,331	\$ 68,196,291	\$ 74,016,219	\$ 73,961,425	\$ 81,831,666	\$ 90,070,764
86.85%	58.86%	53.77%	35.09%	97.84%	77.86%

CITY OF ROUND ROCK, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

Texas Municipal Retirement System (TMRS) Plan
Schedule of Contributions

Fiscal year ended September 30,	2015	2016	2017
Actuarially Determined Contribution	\$ 8,077,742	\$ 8,507,987	\$ 8,897,294
Contributions in relation to the actuarially determined contribution	8,193,478	8,739,633	9,059,953
Contribution deficiency (excess)	<u>\$ (115,736)</u>	<u>\$ (231,646)</u>	<u>\$ (162,659)</u>
Covered payroll	\$ 51,159,783	\$ 54,924,766	\$ 57,346,696
Contributions as a percentage of covered payroll	16.02%	15.91%	15.80%

Notes to Schedule of Contributions

Valuation Date

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 years (longest amortization ladder)
Asset Valuation Method	10-year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.6% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB (10) mortality tables, with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information

There were no benefit changes during the year.

See Independent Auditors' Report

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 9,582,199	\$ 10,313,421	\$ 10,806,103	\$ 11,542,600	\$ 12,658,167	\$ 14,190,981	\$ 16,069,816
<u>9,618,245</u>	<u>10,377,168</u>	<u>10,635,298</u>	<u>11,865,291</u>	<u>12,729,994</u>	<u>13,927,874</u>	<u>16,299,740</u>
<u>\$ (36,046)</u>	<u>\$ (63,747)</u>	<u>\$ 170,805</u>	<u>\$ (322,691)</u>	<u>\$ (71,827)</u>	<u>\$ 263,107</u>	<u>\$ (229,924)</u>
\$ 61,743,107	\$ 67,091,746	\$ 68,196,291	\$ 74,016,219	\$ 73,961,425	\$ 81,831,666	\$ 90,070,764
15.57%	15.46%	15.60%	16.03%	17.21%	17.02%	18.10%

CITY OF ROUND ROCK, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024
(UNAUDITED)

Schedule of Changes in the Total OPEB Liability and Related Ratios

Supplemental Death Benefit Fund

Measurement period ended December 31,	2017	2018	2019
Service Cost	\$ 87,800	\$ 106,813	\$ 102,294
Interest	63,146	66,031	72,369
Changes in assumptions or other inputs	176,033	(160,017)	438,301
Differences between expected and actual experience	-	(41,694)	(36,755)
Benefit payments	(11,707)	(12,566)	(13,639)
Net change in total OPEB liability	315,272	(41,433)	562,570
Total OPEB liability - beginning	1,632,491	1,947,763	1,906,330
Total OPEB liability - ending	<u>\$ 1,947,763</u>	<u>\$ 1,906,330</u>	<u>\$ 2,468,900</u>
Covered employee payroll	\$ 58,533,338	\$ 62,831,331	\$ 68,196,291
Total OPEB liability as a percentage of covered payroll	3.33%	3.03%	3.62%

Self-Funded Health Insurance

Measurement period ended December 31,	2017	2018	2019
Service Cost	\$ 837,881	\$ 886,296	\$ 919,177
Interest	477,714	498,983	532,239
Changes in assumptions or other inputs	798,106	(643,572)	882,735
Differences between expected and actual experience	(114,595)	-	(196,828)
Benefit payments	(431,570)	(465,610)	(597,720)
Net change in total OPEB liability	1,567,536	276,097	1,539,603
Total OPEB liability - beginning	12,758,523	14,326,059	14,602,156
Total OPEB liability - ending	<u>\$ 14,326,059</u>	<u>\$ 14,602,156</u>	<u>\$ 16,141,759</u>
Covered employee payroll	\$ 58,533,338	\$ 62,831,331	\$ 68,196,291
Total OPEB liability as a percentage of covered payroll	24.5%	23.2%	23.7%

Notes to Schedule:

- 1) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.
- 2) No significant methods and assumptions to disclose.
- 3) Schedule will be built out to 10 years.

See Independent Auditors' Report.

2020	2021	2022	2023
\$ 148,032	\$ 177,507	\$ 204,579	\$ 108,085
69,727	63,208	63,338	93,651
461,065	115,743	(1,322,164)	135,131
(42,783)	(49,160)	20,053	(527)
(14,803)	(36,981)	(40,916)	(54,042)
621,238	270,317	(1,075,110)	282,298
2,468,900	3,090,138	3,360,455	2,285,345
<u>\$ 3,090,138</u>	<u>\$ 3,360,455</u>	<u>\$ 2,285,345</u>	<u>\$ 2,567,643</u>

\$ 74,016,219	\$ 73,961,425	\$ 81,831,666	\$ 90,070,764
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4.17%	4.54%	2.79%	2.85%
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2020	2021	2022	2023
\$ 1,405,816	\$ 1,743,411	\$ 1,743,411	\$ 1,373,314
472,779	337,146	377,547	775,204
-	1,414,747	(2,275,360)	(446,469)
-	(756,790)	(113,031)	(2,191,053)
(711,164)	(861,044)	(709,355)	(543,027)
1,167,431	1,877,470	(976,788)	(1,032,031)
16,141,759	17,309,190	19,186,660	18,209,872
<u>\$ 17,309,190</u>	<u>\$ 19,186,660</u>	<u>\$ 18,209,872</u>	<u>\$ 17,177,841</u>

\$ 74,016,219	\$ 73,171,576	\$ 81,845,996	\$ 90,070,764
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23.4%	26.2%	22.2%	19.1%
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NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Governmental Funds account for specific resources, other than major capital projects that are restricted to expenditures for specified purposes.

Community Development Block Grant Fund – To account for grant monies received for programs benefiting persons of low to moderate income.

Hotel - Motel Occupancy Tax Fund – To account for the levy and use of the 7% hotel – motel bed tax received. Proceeds from this tax are to be used toward tourism, community events, cultural enhancements, ongoing repairs, maintenance and capital improvements to the City-owned Dell Diamond, a minor league baseball stadium and conference center, and for promotion of the City.

Hotel - Motel Occupancy Venue Tax Fund – To account for the levy and use of the 2% hotel – motel bed venue tax received. Proceeds from this tax are to be used toward the construction and maintenance of the sports center that prompts tourism and promotion of the City.

Innovation and Development Fund – To account for the activities of select economic development and Chapter 380 agreements.

Library and Recreational Fund – To account for amounts received through the City's landscape ordinance, contributions and general government resources designated for library and recreational programs of the City.

Public Safety Fund – To account for amounts received through child safety fines, court security, court technology fees, and drug enforcement actions, some of which promote traffic safety programs.

Public Education & Government Fund – To account for amounts received for programs to provide public education in government.

Roadway Impact Fees Fund – To account for amounts received from developers to recover the incremental cost of each new unit of development on the arterial and collector roadway infrastructure and identify them by designated service area.

**CITY OF ROUND ROCK, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2024**

	Community Development Block Grant	Hotel-Motel Occupancy Tax	Hotel-Motel Occupancy Venue Tax	Innovation and Development
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,515,224	\$ 2,369,813	\$ -
Investments	-	5,316,144	8,310,423	-
Receivables -				
Accounts and other	-	904,276	250,241	-
Accrued interest	-	55,280	57,045	21,429
Grants	74,013	-	-	-
Restricted assets -				
Cash and cash equivalents	-	532,014	-	328,948
Investments	-	1,866,564	-	1,154,107
Total assets	<u>\$ 74,013</u>	<u>\$ 10,189,502</u>	<u>\$ 10,987,522</u>	<u>\$ 1,504,484</u>
LIABILITIES AND FUND BALANCES				
Liabilities -				
Accounts payable	\$ 74,013	\$ 633,966	\$ 95,936	\$ -
Accrued payroll	-	40,364	109,732	-
Unearned revenue	-	-	-	-
Total liabilities	<u>74,013</u>	<u>674,330</u>	<u>205,668</u>	<u>-</u>
Fund balances -				
Restricted - authorized construction	-	1,765,565	-	-
Restricted - hotel-motel tax	-	7,749,607	10,781,854	-
Restricted - public safety	-	-	-	-
Restricted - general government	-	-	-	-
Committed - general government	-	-	-	-
Committed - capital projects funds	-	-	-	-
Committed - culture and recreation	-	-	-	1,483,055
Assigned - culture and recreation	-	-	-	21,429
Total fund balances	<u>-</u>	<u>9,515,172</u>	<u>10,781,854</u>	<u>1,504,484</u>
Total liabilities and fund balances	<u>\$ 74,013</u>	<u>\$ 10,189,502</u>	<u>\$ 10,987,522</u>	<u>\$ 1,504,484</u>

Library and Recreational	Public Safety	Public Education & Government	Formerly Nonmajor Fund Roadway Impact Fees	Total Nonmajor Governmental Funds
\$ 1,563,940	\$ 240,025	\$ 348,570	\$ -	\$ 6,037,572
5,481,798	842,120	1,222,952	-	21,173,437
-	-	-	-	1,154,517
38,479	6,090	8,517	-	186,840
-	-	-	-	74,013
-	-	-	-	860,962
-	-	-	-	3,020,671
<u>\$ 7,084,217</u>	<u>\$ 1,088,235</u>	<u>\$ 1,580,039</u>	<u>\$ -</u>	<u>\$ 32,508,012</u>
\$ 57,325	\$ 16,850	\$ -	\$ -	\$ 878,090
27,213	-	-	-	177,309
1,883,979	-	-	-	1,883,979
<u>1,968,517</u>	<u>16,850</u>	<u>-</u>	<u>-</u>	<u>2,939,378</u>
-	-	-	-	1,765,565
-	-	-	-	18,531,461
-	1,071,385	-	-	1,071,385
-	-	1,580,039	-	1,580,039
1,343,048	-	-	-	1,343,048
804,645	-	-	-	804,645
-	-	-	-	1,483,055
<u>2,968,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,989,436</u>
<u>5,115,700</u>	<u>1,071,385</u>	<u>1,580,039</u>	<u>-</u>	<u>29,568,634</u>
<u>\$ 7,084,217</u>	<u>\$ 1,088,235</u>	<u>\$ 1,580,039</u>	<u>\$ -</u>	<u>\$ 32,508,012</u>

**CITY OF ROUND ROCK, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2024**

	Community Development Block Grant	Hotel-Motel Occupancy Tax	Hotel-Motel Occupancy Venue Tax	Innovation and Development
Revenues -				
Taxes and franchise	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-
Charges for services	-	-	2,284,775	-
Fines and forfeitures	-	-	-	-
Intergovernmental	1,039,968	-	-	9,470,207
Hotel occupancy tax	-	8,813,123	3,761,396	4,353,092
Contributions	-	53,000	-	-
Investment and other	-	597,355	316,870	203,755
Total revenues	<u>1,039,968</u>	<u>9,463,478</u>	<u>6,363,041</u>	<u>14,027,054</u>
Expenditures -				
Current -				
General government	320,082	-	-	10,556,334
Public safety	-	-	-	-
Culture and recreation	-	2,674,612	3,519,929	-
Principal retirement	-	-	25,036	-
Interest and fiscal charges	-	-	1,284	-
Capital projects	719,886	4,676,876	-	-
Total expenditures	<u>1,039,968</u>	<u>7,351,488</u>	<u>3,546,249</u>	<u>10,556,334</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>2,111,990</u>	<u>2,816,792</u>	<u>3,470,720</u>
Other financing sources (uses) -				
Issuance of debt/leases/SBITA	-	-	189,258	-
Transfers in	-	-	-	-
Transfers out	-	(3,782,652)	(2,792,900)	(4,934,334)
Total other financing sources (uses)	<u>-</u>	<u>(3,782,652)</u>	<u>(2,603,642)</u>	<u>(4,934,334)</u>
Net change in fund balances	<u>-</u>	<u>(1,670,662)</u>	<u>213,150</u>	<u>(1,463,614)</u>
Fund balances, October 1, 2023, as previously reported	-	11,185,834	10,568,704	2,968,098
Change within financial reporting entity (nonmajor to major fund)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, October 1, 2023, as adjusted or restated	<u>-</u>	<u>11,185,834</u>	<u>10,568,704</u>	<u>2,968,098</u>
Fund balances, September 30, 2024	<u>\$ -</u>	<u>\$ 9,515,172</u>	<u>\$ 10,781,854</u>	<u>\$ 1,504,484</u>

Library and Recreational	Public Safety	Public Education & Government	Formerly Nonmajor Fund Roadway Impact Fees	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 142,602	\$ -	\$ 142,602
100,739	-	-	-	100,739
936,792	-	-	-	3,221,567
-	173,733	-	-	173,733
-	-	-	-	10,510,175
-	-	-	-	16,927,611
496,019	-	-	-	549,019
368,032	71,086	79,429	-	1,636,527
<u>1,901,582</u>	<u>244,819</u>	<u>222,031</u>	<u>-</u>	<u>33,261,973</u>
21,978	-	279,547	-	11,177,941
-	91,534	-	-	91,534
1,337,156	-	-	-	7,531,697
-	-	-	-	25,036
-	-	-	-	1,284
495,382	-	-	-	5,892,144
<u>1,854,516</u>	<u>91,534</u>	<u>279,547</u>	<u>-</u>	<u>24,719,636</u>
<u>47,066</u>	<u>153,285</u>	<u>(57,516)</u>	<u>-</u>	<u>8,542,337</u>
-	-	-	-	189,258
675,000	-	-	-	675,000
(1,412,727)	-	-	-	(12,922,613)
<u>(737,727)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,058,355)</u>
<u>(690,661)</u>	<u>153,285</u>	<u>(57,516)</u>	<u>-</u>	<u>(3,516,018)</u>
5,806,361	918,100	1,637,555	247,461	33,332,113
-	-	-	(247,461)	(247,461)
<u>5,806,361</u>	<u>918,100</u>	<u>1,637,555</u>	<u>-</u>	<u>33,084,652</u>
<u>\$ 5,115,700</u>	<u>\$ 1,071,385</u>	<u>\$ 1,580,039</u>	<u>\$ -</u>	<u>\$ 29,568,634</u>



**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL**

**GENERAL, DEBT SERVICE,
AND NONMAJOR SPECIAL REVENUE FUNDS**

CITY OF ROUND ROCK, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2024
WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts				2023
	Original	Final	Actual	Variance	Actual
Revenues -					
Taxes and franchise -					
Property tax	\$ 57,000,000	\$ 57,000,000	\$ 56,761,147	\$ (238,853)	\$ 48,675,329
Penalty and interest	89,000	89,000	127,122	38,122	108,241
Sales tax	69,348,000	69,348,000	69,348,000	-	65,321,000
Franchise	7,386,000	7,386,000	7,725,652	339,652	7,851,750
Bingo tax	50,000	50,000	51,246	1,246	51,299
Mixed drink tax	1,075,000	1,075,000	1,147,286	72,286	997,711
Total taxes and franchise	134,948,000	134,948,000	135,160,453	212,453	123,005,330
Licenses, permits and fees -					
Building permits	1,155,000	1,155,000	1,667,119	512,119	1,851,207
Other permits	42,900	42,900	7,780	(35,120)	98,435
Fees	1,653,900	1,653,900	945,687	(708,213)	2,411,014
Total licenses, permits, and fees	2,851,800	2,851,800	2,620,586	(231,214)	4,360,656
Charges for services -					
Trash collection fees	1,387,900	1,387,900	1,411,268	23,368	1,308,868
Swimming pool fees	1,637,000	1,637,000	1,684,296	47,296	1,812,496
Recreation program fees	2,144,000	2,421,500	2,827,520	406,020	2,654,955
Filing and reproduction fees	15,000	15,000	33,946	18,946	9,504
Other	87,300	87,300	206,381	119,081	150,483
Total charges for services	5,271,200	5,548,700	6,163,411	614,711	5,936,306
Fines and forfeitures	1,125,000	1,125,000	1,062,649	(62,351)	1,048,377
Grants	4,812,500	4,812,500	2,951,528	(1,860,972)	4,212,345
Investment and other -					
Investment income	250,000	250,000	3,022,336	2,772,336	2,294,840
Other	5,128,500	5,128,500	5,507,533	379,033	5,343,221
Total investment and other	5,378,500	5,378,500	8,529,869	3,151,369	7,638,061
Total revenues	154,387,000	154,664,500	156,488,496	1,823,996	146,201,075

CITY OF ROUND ROCK, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024
WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance	2023
	Original	Final			Actual
Expenditures -					
Current -					
General government					
Executive -					
Personnel services	\$ 20,967,300	\$ 19,367,737	\$ 17,197,795	\$ 2,169,942	\$ 16,466,009
Operations	13,007,400	13,374,900	14,134,199	(759,299)	9,945,863
Capital outlay	-	-	-	-	10,394
Capital projects	130,000	55,000	28,290	26,710	-
Total executive	<u>34,104,700</u>	<u>32,797,637</u>	<u>31,360,284</u>	<u>1,437,353</u>	<u>26,422,266</u>
Judicial -					
Personnel services	1,305,700	1,348,698	1,172,630	176,068	1,155,658
Operations	77,400	80,285	80,285	-	64,559
Total judicial	<u>1,383,100</u>	<u>1,428,983</u>	<u>1,252,915</u>	<u>176,068</u>	<u>1,220,217</u>
Total general government	<u>35,487,800</u>	<u>34,226,620</u>	<u>32,613,199</u>	<u>1,613,421</u>	<u>27,642,483</u>
Public safety					
Police -					
Personnel services	38,722,400	38,503,299	38,169,196	334,103	34,896,719
Operations	4,918,200	5,376,964	5,095,483	281,481	4,682,830
Capital outlay	759,900	805,900	432,102	373,798	8,899
Total police	<u>44,400,500</u>	<u>44,686,163</u>	<u>43,696,781</u>	<u>989,382</u>	<u>39,588,448</u>
Fire -					
Personnel services	31,503,100	31,562,058	30,916,264	645,794	29,426,458
Operations	3,718,500	3,718,500	3,644,519	73,981	2,400,040
Capital outlay	885,000	885,000	118,392	766,608	68,783
Total fire	<u>36,106,600</u>	<u>36,165,558</u>	<u>34,679,175</u>	<u>1,486,383</u>	<u>31,895,281</u>
Total public safety	<u>80,507,100</u>	<u>80,851,721</u>	<u>78,375,956</u>	<u>2,475,765</u>	<u>71,483,729</u>

CITY OF ROUND ROCK, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024
WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance	2023
	Original	Final			Actual
Expenditures -					
Current -					
Public works					
Administration -					
Personnel services	\$ 6,527,900	\$ 6,737,551	\$ 6,639,110	\$ 98,441	\$ 5,980,667
Operations	5,026,300	5,029,500	3,391,183	1,638,317	4,158,974
Capital outlay	35,000	35,000	-	35,000	-
Total administration	11,589,200	11,802,051	10,030,293	1,771,758	10,139,641
Streets -					
Personnel services	4,120,300	4,305,323	3,832,428	472,895	3,287,149
Operations	4,188,800	4,185,600	3,515,912	669,688	3,345,302
Capital outlay	-	-	-	-	63,350
Total streets	8,309,100	8,490,923	7,348,340	1,142,583	6,695,801
Maintenance shop -					
Personnel services	2,160,400	2,192,208	2,033,155	159,053	1,780,999
Operations	548,800	513,815	312,409	201,406	343,892
Capital outlay	130,000	191,485	191,481	4	17,603
Total maintenance shop	2,839,200	2,897,508	2,537,045	360,463	2,142,494
Total public works	22,737,500	23,190,482	19,915,678	3,274,804	18,977,936

CITY OF ROUND ROCK, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024
WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts				2023
	Original	Final	Actual	Variance	Actual
Expenditures -					
Current -					
Culture and recreation					
Library -					
Personnel services	\$ 3,986,600	\$ 4,105,480	\$ 3,910,930	\$ 194,550	\$ 3,478,263
Operations	899,500	899,500	844,989	54,511	724,753
Total library	<u>4,886,100</u>	<u>5,004,980</u>	<u>4,755,919</u>	<u>249,061</u>	<u>4,203,016</u>
Parks and recreation -					
Personnel services	13,013,500	13,635,697	12,562,476	1,073,221	11,515,503
Operations	4,646,600	4,647,980	4,515,297	132,683	4,280,614
Capital outlay	-	-	-	-	113,315
Culture-Parks-capital projects	152,000	150,620	73,749	76,871	-
Total parks and recreation	<u>17,812,100</u>	<u>18,434,297</u>	<u>17,151,522</u>	<u>1,282,775</u>	<u>15,909,432</u>
Total culture and recreation	<u>22,698,200</u>	<u>23,439,277</u>	<u>21,907,441</u>	<u>1,531,836</u>	<u>20,112,448</u>
Total expenditures	<u>161,430,600</u>	<u>161,708,100</u>	<u>152,812,274</u>	<u>8,895,826</u>	<u>138,216,596</u>
Excess (deficiency) of revenues over expenditures	<u>(7,043,600)</u>	<u>(7,043,600)</u>	<u>3,676,222</u>	<u>10,719,822</u>	<u>7,984,479</u>
Other financing sources (uses) -					
Issuance of debt/leases/SBITA	-	-	701,304	701,304	-
Transfers in	7,250,300	7,250,300	7,250,300	-	6,905,000
Transfers out	<u>(1,700,000)</u>	<u>(2,369,434)</u>	<u>(2,369,434)</u>	<u>-</u>	<u>(502,741)</u>
Total other financing sources (uses)	<u>5,550,300</u>	<u>4,880,866</u>	<u>5,582,170</u>	<u>701,304</u>	<u>6,402,259</u>
Net change in fund balances	<u>\$ (1,493,300)</u>	<u>\$ (2,162,734)</u>	<u>9,258,392</u>	<u>\$ 11,421,126</u>	<u>14,386,738</u>
Reconciliation between budgetary basis actual and GAAP					
Increase (decrease) in fair value of investments			1,242,873		659,773
Fund Balance, October 1, 2023			<u>63,699,353</u>		<u>48,652,842</u>
Fund balance, September 30, 2024			<u>\$ 74,200,618</u>		<u>\$ 63,699,353</u>

CITY OF ROUND ROCK, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues -				
Taxes and franchise	\$ 24,960,800	\$ 24,960,800	\$ 24,646,584	\$ (314,216)
Investment and other	15,000	15,000	1,058,819	1,043,819
Total revenues	<u>24,975,800</u>	<u>24,975,800</u>	<u>25,705,403</u>	<u>729,603</u>
Expenditures -				
Debt service -				
Principal retirement	21,424,600	22,104,512	22,104,512	-
Interest and fiscal charges	10,749,084	11,010,808	11,010,808	-
Total expenditures	<u>32,173,684</u>	<u>33,115,320</u>	<u>33,115,320</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(7,197,884)</u>	<u>(8,139,520)</u>	<u>(7,409,917)</u>	<u>729,603</u>
Other financing sources (uses) -				
Transfers in	<u>8,721,684</u>	<u>8,721,684</u>	<u>8,721,661</u>	<u>(23)</u>
Total other financing sources (uses)	<u>8,721,684</u>	<u>8,721,684</u>	<u>8,721,661</u>	<u>(23)</u>
Net change in fund balances	<u>\$ 1,523,800</u>	<u>\$ 582,164</u>	<u>1,311,744</u>	<u>\$ 729,580</u>
Fund balance, October 1, 2023			<u>4,110,112</u>	
Fund balance, September 30, 2024			<u>\$ 5,421,856</u>	

**CITY OF ROUND ROCK, TEXAS
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues -				
Intergovernmental	\$ 1,654,373	\$ 1,654,373	\$ 1,039,968	\$ (614,405)
Total revenues	1,654,373	1,654,373	1,039,968	(614,405)
Expenditures -				
Current -				
General government-				
Operations	545,282	545,282	320,082	225,200
Capital projects	1,109,091	1,109,091	719,886	389,205
Total expenditures	1,654,373	1,654,373	1,039,968	614,405
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balance, October 1, 2023			-	
Fund balance, September 30, 2024			\$ -	

CITY OF ROUND ROCK, TEXAS
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
HOTEL-MOTEL OCCUPANCY TAX FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues -				
Hotel occupancy tax	\$ 6,701,900	\$ 6,701,900	\$ 8,813,123	\$ 2,111,223
Contributions	-	-	53,000	53,000
Investment and other	130,500	130,500	461,432	330,932
Total revenues	6,832,400	6,832,400	9,327,555	2,495,155
Expenditures -				
Current -				
Culture and recreation-				
Personnel services	752,200	754,800	754,770	30
Operations	2,672,000	2,615,092	1,919,842	695,250
Capital projects	-	4,676,876	4,676,876	-
Total expenditures	3,424,200	8,046,768	7,351,488	695,280
Excess (deficiency) of revenues over expenditures	3,408,200	(1,214,368)	1,976,067	3,190,435
Other financing sources (uses) -				
Transfers out	(1,669,427)	(3,782,652)	(3,782,652)	-
Total other financing sources (uses)	(1,669,427)	(3,782,652)	(3,782,652)	-
Net change in fund balances	\$ 1,738,773	\$ (4,997,020)	(1,806,585)	\$ 3,190,435
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			135,923	
Fund balance, October 1, 2023			11,185,834	
Fund balance, September 30, 2024			\$ 9,515,172	

CITY OF ROUND ROCK, TEXAS
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
HOTEL-MOTEL OCCUPANCY VENUE TAX FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues -				
Charges for services	\$ 1,950,000	\$ 2,022,000	\$ 2,284,775	\$ 262,775
Hotel occupancy tax	3,513,600	3,513,600	3,761,396	247,796
Investment and other	50,000	50,000	176,620	126,620
Total revenues	5,513,600	5,585,600	6,222,791	637,191
Expenditures -				
Current -				
Culture and recreation-				
Personnel services	1,877,100	1,949,100	1,919,417	29,683
Operations	3,492,500	3,492,500	1,600,512	1,891,988
Principal retirement	-	-	25,036	(25,036)
Interest and fiscal charges	-	-	1,284	(1,284)
Total expenditures	5,369,600	5,441,600	3,546,249	1,895,351
Excess (deficiency) of revenues over expenditures	144,000	144,000	2,676,542	2,532,542
Other financing sources (uses) -				
Issuance of debt/leases/SBITA	-	-	189,258	189,258
Transfers out	(2,792,900)	(2,792,900)	(2,792,900)	-
Total other financing sources (uses)	(2,792,900)	(2,792,900)	(2,603,642)	189,258
Net change in fund balances	\$ (2,648,900)	\$ (2,648,900)	72,900	\$ 2,721,800
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			140,250	
Fund balance, October 1, 2023			10,568,704	
Fund balance, September 30, 2024			\$ 10,781,854	

CITY OF ROUND ROCK, TEXAS
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
INNOVATION AND DEVELOPMENT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues -				
Intergovernmental	\$ 9,035,000	\$ 9,035,000	\$ 9,470,207	\$ 435,207
Hotel occupancy tax	5,595,640	5,595,640	4,353,092	(1,242,548)
Investment and other	60,000	60,000	151,067	91,067
Total revenues	14,690,640	14,690,640	13,974,366	(716,274)
Expenditures -				
Current -				
General Government -				
Operations	9,756,306	10,556,334	10,556,334	-
Total expenditures	9,756,306	10,556,334	10,556,334	-
Excess (deficiency) of revenues over expenditures	4,934,334	4,134,306	3,418,032	(716,274)
Other financing sources (uses) -				
Transfers out	(4,934,334)	(4,934,334)	(4,934,334)	-
Total other financing sources (uses)	(4,934,334)	(4,934,334)	(4,934,334)	-
Net change in fund balances	\$ -	\$ (800,028)	(1,516,302)	\$ (716,274)
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			52,688	
Fund balance, October 1, 2023			2,968,098	
Fund balance, September 30, 2024			\$ 1,504,484	

CITY OF ROUND ROCK, TEXAS
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
LIBRARY AND RECREATIONAL FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues -				
Licenses, permits and fees	\$ 100,000	\$ 100,000	\$ 100,739	\$ 739
Charges for services	797,500	797,500	936,792	139,292
Contributions	46,800	46,800	496,019	449,219
Investment and other	30,122	30,122	273,425	243,303
Total revenues	974,422	974,422	1,806,975	832,553
Expenditures -				
Current-				
General government-				
Operations	830,450	830,450	21,978	808,472
Total general government	830,450	830,450	21,978	808,472
Culture and recreation-				
Personnel services	652,000	652,000	628,485	23,515
Operations	853,763	853,763	708,671	145,092
Capital projects	-	495,382	495,382	-
Total culture and recreation	1,505,763	2,001,145	1,832,538	168,607
Total expenditures	2,336,213	2,831,595	1,854,516	977,079
Excess (deficiency) of revenues over expenditures	(1,361,791)	(1,857,173)	(47,541)	1,809,632
Other financing sources (uses) -				
Transfers in	675,000	675,000	675,000	-
Transfers out	-	(1,412,727)	(1,412,727)	-
Total other financing sources (uses)	675,000	(737,727)	(737,727)	-
Net change in fund balances	\$ (686,791)	\$ (2,594,900)	(785,268)	\$ 1,809,632
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			94,607	
Fund balance, October 1, 2023			5,806,361	
Fund balance, September 30, 2024			\$ 5,115,700	

CITY OF ROUND ROCK, TEXAS
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
PUBLIC SAFETY FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues -				
Fines and forfeitures	\$ 86,000	\$ 86,000	\$ 173,733	\$ 87,733
Investment and other	16,550	16,550	56,119	39,569
Total revenues	102,550	102,550	229,852	127,302
Expenditures -				
Current-				
Public safety-				
Operations	678,414	678,414	69,794	608,620
Capital projects	216,432	216,432	21,740	194,692
Total expenditures	894,846	894,846	91,534	803,312
Net change in fund balances	<u>\$ (792,296)</u>	<u>\$ (792,296)</u>	138,318	<u>\$ 930,614</u>
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			14,967	
Fund balance, October 1, 2023			<u>918,100</u>	
Fund balance, September 30, 2024			<u>\$ 1,071,385</u>	

CITY OF ROUND ROCK, TEXAS
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
PUBLIC EDUCATION & GOVERNMENT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues -				
Taxes and franchise	\$ 176,000	\$ 176,000	\$ 142,602	\$ (33,398)
Investment and other	2,000	2,000	58,489	56,489
Total revenues	<u>178,000</u>	<u>178,000</u>	<u>201,091</u>	<u>23,091</u>
Expenditures -				
Current -				
General Government-				
Operations	<u>433,000</u>	<u>433,000</u>	<u>279,547</u>	<u>153,453</u>
Total expenditures	<u>433,000</u>	<u>433,000</u>	<u>279,547</u>	<u>153,453</u>
Net change in fund balances	<u><u>\$ (255,000)</u></u>	<u><u>\$ (255,000)</u></u>	<u>(78,456)</u>	<u><u>\$ 176,544</u></u>
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			20,940	
Fund balance, October 1, 2023			<u>1,637,555</u>	
Fund balance, September 30, 2024			<u><u>\$ 1,580,039</u></u>	



**CITY OF ROUND ROCK, TEXAS
STATISTICAL SECTION
(UNAUDITED)**

This part of the City of Round Rock's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information says about the City's overall financial health. This information has not been audited by the independent auditors.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	130
Revenue Capacity These schedules contain information to help the reader assess the City's significant local revenue sources, the property and sales tax.	140
Debt Capacity These schedules present information to help the reader assess the affordability of the City's currently outstanding debt and the City's ability to issue additional debt in the future.	150
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	159
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information contained in the City's financial report relates to the services the City provides and the activities it performs.	161

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

CITY OF ROUND ROCK, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2015	2016	2017	2018
Governmental activities-				
Net investment in capital assets	\$ 299,730,557	\$ 310,185,706	\$ 356,586,425	\$ 373,007,353
Restricted	48,019,726	51,813,118	48,954,352	48,357,161
Unrestricted	<u>53,355,360</u>	<u>52,451,939</u>	<u>29,054,168</u>	<u>28,585,838</u>
Total governmental activities net position	<u><u>\$ 401,105,643</u></u>	<u><u>\$ 414,450,763</u></u>	<u><u>\$ 434,594,945</u></u>	<u><u>\$ 449,950,352</u></u>
Business-type activities-				
Net investment in capital assets	\$ 228,866,895	\$ 234,981,264	\$ 245,005,044	\$ 268,467,171
Restricted	19,215,972	15,275,659	19,800,722	22,628,600
Unrestricted	<u>110,519,279</u>	<u>126,490,054</u>	<u>126,634,362</u>	<u>138,980,320</u>
Total business-type activities net position	<u><u>\$ 358,602,146</u></u>	<u><u>\$ 376,746,977</u></u>	<u><u>\$ 391,440,128</u></u>	<u><u>\$ 430,076,091</u></u>
Primary government-				
Net investment in capital assets	\$ 528,597,452	\$ 545,166,970	\$ 601,591,469	\$ 641,474,524
Restricted	67,235,698	67,088,777	68,755,074	70,985,761
Unrestricted	<u>163,874,639</u>	<u>178,941,993</u>	<u>155,688,530</u>	<u>167,566,158</u>
Total primary government net position	<u><u>\$ 759,707,789</u></u>	<u><u>\$ 791,197,740</u></u>	<u><u>\$ 826,035,073</u></u>	<u><u>\$ 880,026,443</u></u>

Source: Annual Comprehensive Financial Reports

Notes:

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.

2019	2020	2021	2022	2023	2024
\$ 400,490,136	\$ 442,969,195	\$ 432,348,991	\$ 402,903,584	\$ 461,228,728	\$ 499,732,191
44,334,128	23,471,549	92,772,878	132,351,451	186,392,436	174,686,345
28,918,565	33,581,912	13,728,700	68,809,157	25,817,240	60,004,524
<u>\$ 473,742,829</u>	<u>\$ 500,022,656</u>	<u>\$ 538,850,569</u>	<u>\$ 604,064,192</u>	<u>\$ 673,438,404</u>	<u>\$ 734,423,060</u>
\$ 283,846,141	\$ 294,760,377	\$ 310,014,313	\$ 333,196,242	\$ 361,729,550	\$ 389,534,428
24,343,881	16,315,836	11,750,401	13,866,060	10,427,716	10,326,824
146,681,470	168,868,607	179,998,306	186,396,785	201,529,190	210,847,662
<u>\$ 454,871,492</u>	<u>\$ 479,944,820</u>	<u>\$ 501,763,020</u>	<u>\$ 533,459,087</u>	<u>\$ 573,686,456</u>	<u>\$ 610,708,914</u>
\$ 684,336,277	\$ 737,729,572	\$ 742,363,304	\$ 736,099,826	\$ 822,958,278	\$ 889,266,619
68,678,009	39,787,385	104,523,279	146,217,511	196,820,152	185,013,169
175,600,035	202,450,519	193,727,006	255,205,942	227,346,430	270,852,186
<u>\$ 928,614,321</u>	<u>\$ 979,967,476</u>	<u>\$ 1,040,613,589</u>	<u>\$ 1,137,523,279</u>	<u>\$ 1,247,124,860</u>	<u>\$ 1,345,131,974</u>

CITY OF ROUND ROCK, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2015	2016	2017	2018
Expenses:				
Governmental activities-				
General government	\$ 28,860,077	\$ 28,434,006	\$ 24,864,772	\$ 23,408,887
Public safety	45,236,987	49,439,902	52,243,460	57,987,997
Public works	33,412,841	33,448,357	34,359,785	47,120,999
Culture and recreation	19,202,557	20,885,009	24,130,067	25,218,145
Interest on long-term debt	8,118,490	8,294,279	8,075,351	8,415,687
Issuance Costs				
Total governmental activities expenses	<u>134,830,952</u>	<u>140,501,553</u>	<u>143,673,435</u>	<u>162,151,715</u>
Business-type activities-				
Water and wastewater utility	46,069,705	47,947,818	49,400,833	51,749,727
Golf course	144,993	133,270	1,857,334	1,642,036
Total business-type activities expenses	<u>46,214,698</u>	<u>48,081,088</u>	<u>51,258,167</u>	<u>53,391,763</u>
Total primary government expenses	<u>181,045,650</u>	<u>188,582,641</u>	<u>194,931,602</u>	<u>215,543,478</u>
Program revenues:				
Governmental activities-				
Charges for services-				
General government	2,168,842	2,258,333	19,778,439	2,273,091
Public safety	2,461,782	1,669,550	1,478,161	1,762,172
Public works	749,524	742,437	607,398	693,223
Culture and recreation	3,288,970	3,919,254	5,133,816	5,489,515
Operating grants and contributions	1,199,574	946,604	1,202,810	2,574,008
Capital grants and contributions	4,234,018	8,013,039	5,958,205	18,206,390
Total governmental activities program revenues	<u>14,102,710</u>	<u>17,549,217</u>	<u>34,158,829</u>	<u>30,998,399</u>
Business-type activities-				
Charges for services-				
Water and wastewater utility	45,898,090	48,653,788	51,980,615	55,139,117
Golf course	320,846	360,371	733,883	299,761
Capital grants and contributions	17,742,568	19,607,086	15,642,381	30,495,633
Total business-type activities program revenues	<u>63,961,504</u>	<u>68,621,245</u>	<u>68,356,879</u>	<u>85,934,511</u>
Total primary government program revenues	<u>78,064,214</u>	<u>86,170,462</u>	<u>102,515,708</u>	<u>116,932,910</u>
Net (expense) revenue-				
Governmental activities	(120,728,242)	(122,952,336)	(109,514,606)	(131,153,316)
Business-type activities	17,746,806	20,540,157	17,098,712	32,542,748
Total primary government net expense	<u>(102,981,436)</u>	<u>(102,412,179)</u>	<u>(92,415,894)</u>	<u>(98,610,568)</u>

	2019	2020	2021	2022	2023	2024
\$	27,861,595	\$ 27,467,722	\$ 35,906,343	\$ 41,210,815	\$ 48,259,094	\$ 48,573,651
	64,196,001	64,151,715	64,975,588	67,534,584	78,793,508	85,295,488
	36,261,500	38,606,348	43,588,532	40,067,607	46,224,524	47,492,344
	27,821,410	26,355,801	26,874,261	30,667,820	34,898,867	39,499,859
	8,525,551	9,382,120	10,264,036	11,292,992	11,000,425	10,635,859
						730,985
	164,666,057	165,963,706	181,608,760	190,773,818	219,176,418	232,228,186
	54,388,260	53,999,588	58,063,832	63,886,112	68,229,079	75,163,447
	2,399,582	2,818,489	3,699,848	4,290,895	4,104,094	4,390,104
	56,787,842	56,818,077	61,763,680	68,177,007	72,333,173	79,553,551
	221,453,899	222,781,783	243,372,440	258,950,825	291,509,591	311,781,737
	3,189,150	4,529,682	2,824,567	2,962,085	3,619,177	3,596,694
	2,298,635	1,684,921	1,396,999	1,705,859	1,626,659	1,494,261
	1,347,815	700,442	970,763	873,899	1,874,377	427,679
	5,649,283	4,082,796	5,807,940	6,544,740	7,318,494	7,824,051
	2,987,128	3,742,160	4,261,827	4,802,100	4,949,732	4,045,133
	9,914,802	9,464,089	10,054,791	23,442,401	27,815,280	22,420,807
	25,386,813	24,204,090	25,316,887	40,331,084	47,203,719	39,808,625
	56,951,931	60,811,441	60,618,367	67,172,508	68,399,789	65,567,096
	1,971,887	2,684,066	3,506,792	3,920,614	3,765,883	4,259,813
	21,584,780	18,443,560	22,288,498	34,040,331	38,995,646	40,899,755
	80,508,598	81,939,067	86,413,657	105,133,453	111,161,318	110,726,664
	105,895,411	106,143,157	111,730,544	145,464,537	158,365,037	150,535,289
	(139,279,244)	(141,759,616)	(156,291,873)	(150,442,734)	(171,972,699)	(192,419,561)
	23,720,756	25,120,990	24,649,977	36,956,446	38,828,145	31,173,113
	(115,558,488)	(116,638,626)	(131,641,896)	(113,486,288)	(133,144,554)	(161,246,448)

(CONTINUED)

CITY OF ROUND ROCK, TEXAS
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2015	2016	2017	2018
General revenues and other changes in net position:				
Governmental activities-				
Taxes-				
Property	\$ 39,932,573	\$ 44,239,067	\$ 49,107,424	\$ 54,082,288
Franchise	7,255,212	7,175,948	7,103,548	7,140,940
Sales	67,620,848	67,340,120	64,209,719	72,861,565
Hotel occupancy	5,083,556	5,407,667	5,515,163	5,714,235
Public service	515,778	566,712	627,164	647,243
Investment earnings and other	5,020,786	7,957,942	8,201,944	9,024,223
Transfers	3,740,000	3,610,000	3,492,871	(2,961,771)
Total governmental activities	<u>129,168,753</u>	<u>136,297,456</u>	<u>138,257,833</u>	<u>146,508,723</u>
Business-type activities-				
Miscellaneous				
Investment earnings and other	866,927	1,214,674	2,289,777	3,131,444
Transfers	<u>(3,740,000)</u>	<u>(3,610,000)</u>	<u>(3,492,871)</u>	<u>2,961,771</u>
Total business-type activities	<u>(2,873,073)</u>	<u>(2,395,326)</u>	<u>(1,203,094)</u>	<u>6,093,215</u>
Total primary government	<u>126,295,680</u>	<u>133,902,130</u>	<u>137,054,739</u>	<u>152,601,938</u>
Change in net position:				
Governmental activities	8,440,511	13,345,120	28,743,227	15,355,407
Business-type activities	<u>14,873,733</u>	<u>18,144,831</u>	<u>15,895,618</u>	<u>38,635,963</u>
Total primary government	<u><u>\$ 23,314,244</u></u>	<u><u>\$ 31,489,951</u></u>	<u><u>\$ 44,638,845</u></u>	<u><u>\$ 53,991,370</u></u>

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 57,396,623	\$ 64,744,623	\$ 68,187,362	\$ 70,551,060	\$ 74,006,361	\$ 81,719,209
7,407,178	7,060,026	6,808,434	7,429,827	8,017,834	7,868,254
75,690,767	78,361,955	90,406,552	104,397,185	104,713,662	103,711,976
6,000,447	4,111,858	11,003,127	15,128,191	17,048,182	16,927,611
697,835	620,996	867,626	1,020,842	1,157,865	1,198,532
12,180,534	9,081,735	12,650,685	11,176,195	31,393,569	36,093,335
3,698,337	4,058,250	5,196,000	5,355,000	5,605,000	5,885,300
<u>163,071,721</u>	<u>168,039,443</u>	<u>195,119,786</u>	<u>215,058,300</u>	<u>241,942,473</u>	<u>253,404,217</u>
					-
4,772,982	4,010,588	2,364,223	94,621	7,004,224	11,734,645
<u>(3,698,337)</u>	<u>(4,058,250)</u>	<u>(5,196,000)</u>	<u>(5,355,000)</u>	<u>(5,605,000)</u>	<u>(5,885,300)</u>
<u>1,074,645</u>	<u>(47,662)</u>	<u>(2,831,777)</u>	<u>(5,260,379)</u>	<u>1,399,224</u>	<u>5,849,345</u>
<u>164,146,366</u>	<u>167,991,781</u>	<u>192,288,009</u>	<u>209,797,921</u>	<u>243,341,697</u>	<u>259,253,562</u>
23,792,477	26,279,827	38,827,913	64,615,566	69,969,774	60,984,656
<u>24,795,401</u>	<u>25,073,328</u>	<u>21,818,200</u>	<u>31,696,067</u>	<u>40,227,369</u>	<u>37,022,458</u>
<u>\$ 48,587,878</u>	<u>\$ 51,353,155</u>	<u>\$ 60,646,113</u>	<u>\$ 96,311,633</u>	<u>\$ 110,197,143</u>	<u>\$ 98,007,114</u>

CITY OF ROUND ROCK, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Nonspendable-</i>				
Inventories, prepaids and other	\$ 430,821	\$ 372,288	\$ 232,004	\$ 253,592
<i>Restricted for-</i>				
Debt service	2,351,780	2,749,645	3,880,982	4,853,517
Authorized construction	117,515,606	77,545,478	81,086,426	62,649,029
Hotel-motel tax	10,934,476	12,653,710	6,526,672	7,863,705
Public safety	1,274,293	676,724	585,878	750,657
General government	-	-	1,269,075	1,268,233
<i>Committed to-</i>				
General government	856,977	1,081,159	124,703	232,243
Capital projects funds	24,696,122	24,865,777	28,397,665	21,934,876
Streets and drainage	1,145,826	1,152,195	-	-
Culture and recreation	322,576	293,694	-	-
<i>Assigned to-</i>				
Culture and recreation	272,666	212,080	1,004,583	1,274,658
<i>Unassigned</i>	<u>50,277,389</u>	<u>52,427,796</u>	<u>50,090,080</u>	<u>53,558,920</u>
Total governmental funds	<u>\$ 210,078,532</u>	<u>\$ 174,030,546</u>	<u>\$ 173,198,068</u>	<u>\$ 154,639,430</u>

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 226,190	\$ 1,094,653	\$ 1,783,208	\$ 404,179	\$ 930,720	\$ 406,099
5,019,375	5,080,091	7,901,595	7,041,411	6,492,541	7,804,285
72,690,649	58,069,777	124,312,278	171,116,800	160,664,737	181,119,801
6,807,382	7,440,558	10,222,462	15,269,909	19,061,932	18,531,461
1,025,501	757,284	735,896	887,046	918,100	1,071,385
1,439,377	1,401,931	1,433,730	1,472,144	1,637,555	1,580,039
883,883	1,030,812	881,812	1,077,519	1,198,346	1,343,048
28,971,259	23,259,722	41,256,494	63,546,738	49,633,658	52,617,062
-	-	-	-	-	-
-	-	1,483,055	1,483,055	1,483,055	1,483,055
1,638,534	1,834,073	2,496,916	3,852,615	4,022,080	2,989,436
<u>49,498,684</u>	<u>59,547,303</u>	<u>58,913,029</u>	<u>48,267,275</u>	<u>63,341,210</u>	<u>73,794,519</u>
<u>\$ 168,200,834</u>	<u>\$ 159,516,204</u>	<u>\$ 251,420,475</u>	<u>\$ 314,418,691</u>	<u>\$ 309,383,934</u>	<u>\$ 342,740,190</u>

CITY OF ROUND ROCK, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2015	2016	2017	2018
Revenues-				
Taxes and franchise	\$ 115,508,506	\$ 119,211,433	\$ 121,142,245	\$ 134,637,978
Licenses, permits and fees	1,704,374	1,843,633	1,646,077	2,037,211
Charges for services	4,513,428	5,172,465	6,307,377	6,563,868
Fines and forfeitures	2,451,316	1,573,476	1,440,795	1,616,922
Intergovernmental	1,679,993	990,683	2,950,833	9,511,022
Hotel occupancy tax	5,083,556	5,407,667	5,515,163	5,714,235
Investment and other	600,919	368,748	931,601	2,335,783
Contributions	7,207,478	7,963,854	8,253,614	9,260,526
Total revenues	<u>138,749,570</u>	<u>142,531,959</u>	<u>148,187,705</u>	<u>171,677,545</u>
Expenditures-				
General government	23,838,520	24,394,392	21,055,932	23,744,730
Public safety	43,067,272	44,388,881	47,595,884	52,839,347
Public works	12,328,284	12,062,839	12,682,503	14,748,037
Culture and recreation	14,766,040	15,078,964	17,219,700	18,513,216
Capital projects	33,476,554	65,414,999	63,268,686	59,809,511
Debt service-				
Principal retirement	13,919,366	13,463,922	13,287,160	14,325,970
Interest and fiscal charges	8,597,372	9,641,498	8,306,767	9,244,645
Payment to refunding agent	-	-	10,050,443	-
Other charges	942,596	229,245	423,510	-
Total expenditures	<u>150,936,004</u>	<u>184,674,740</u>	<u>193,890,585</u>	<u>193,225,456</u>
Excess of revenues over (under) expenditures	<u>(12,186,434)</u>	<u>(42,142,781)</u>	<u>(45,702,880)</u>	<u>(21,547,911)</u>
Other financing sources (uses)-				
Issuance of lease (1)	2,000,000	2,250,000	-	5,981,044
Issuance of debt	70,665,000	11,450,000	38,725,000	-
Premium on bonds issued	6,369,020	1,094,690	2,652,531	-
Payment to refunded bond escrow agent	(48,205,991)	(12,309,895)	-	-
Transfers in	27,070,865	30,552,126	31,908,470	22,678,818
Transfers out	(23,330,865)	(26,942,126)	(28,415,599)	(25,640,589)
Total other financing sources (uses)	<u>34,568,029</u>	<u>6,094,795</u>	<u>44,870,402</u>	<u>3,019,273</u>
Net change in fund balances	<u>\$ 22,381,595</u>	<u>\$ (36,047,986)</u>	<u>\$ (832,478)</u>	<u>\$ (18,528,638)</u>
Capital outlay including amounts reported under departmental current expenditures	\$ 35,385,140	\$ 65,116,395	\$ 90,020,515	\$ 46,896,225
Debt service as a percentage of noncapital expenditures	19.5%	19.3%	20.8%	16.1%

(1) Issuance of lease refers to leases issued to debt finance equipment and vehicle replacement prior to FY 2022. GASB 87 was implemented in FY 2022 and changes the meaning of a lease. Therefore, the previous leases are referred to as Notes Payable throughout the Annual Comprehensive Financial Reporting, beginning in FY 2022.

2019	2020	2021	2022	2023	2024
\$ 141,150,180	\$ 150,717,481	\$ 166,252,010	\$ 183,162,281	\$ 188,219,454	\$ 200,938,298
2,703,240	1,834,311	2,543,143	2,959,342	4,443,231	2,721,325
6,916,463	5,274,975	7,092,585	7,929,787	8,749,122	9,384,978
2,153,309	1,623,976	1,152,990	1,380,898	1,246,354	1,236,382
3,822,463	5,540,163	11,400,907	24,816,402	20,188,481	13,461,703
6,000,447	4,111,858	11,003,127	15,128,191	17,048,182	16,927,611
4,670,671	9,165,467	7,261,313	2,778,909	21,244,232	26,200,867
12,728,177	3,336,036	2,338,936	3,285,315	7,880,970	7,306,731
180,144,950	181,604,267	209,045,011	241,441,125	269,020,026	278,177,895
22,423,018	24,841,662	31,324,914	35,377,631	39,592,677	44,587,914
56,063,867	56,494,602	59,445,458	64,353,318	71,658,737	79,580,289
15,077,947	17,290,725	16,946,664	19,056,273	19,383,569	20,342,252
20,213,897	19,022,847	19,931,144	24,017,708	26,620,493	29,439,138
90,837,258	82,350,573	47,540,721	87,575,761	85,953,520	89,783,294
17,792,363	18,296,526	20,148,502	19,650,222	24,867,905	24,666,863
8,616,675	10,243,591	10,367,705	12,133,701	12,237,746	11,206,001
13,758,972	7,010,563	-	-	-	-
967,009	276,058	1,225,607	1,512,308	-	730,985
245,751,006	235,827,147	206,930,715	263,676,922	280,314,647	300,336,736
(65,606,056)	(54,222,880)	2,114,296	(22,235,797)	(11,294,621)	(22,158,841)
2,900,000	-	-	-	-	-
67,685,000	41,480,000	84,040,000	156,315,000	-	47,425,562
4,884,123	-	7,036,650	2,642,581	-	2,204,235
-	-	(6,482,675)	(79,078,568)	-	-
42,110,430	39,495,337	75,973,539	70,036,965	43,448,957	82,379,430
(38,412,093)	(35,437,087)	(70,777,539)	(64,681,965)	(37,189,093)	(76,494,130)
79,167,460	45,538,250	89,789,975	85,234,013	6,259,864	55,515,097
\$ 13,561,404	\$ (8,684,630)	\$ 91,904,271	\$ 62,998,216	\$ (5,034,757)	\$ 33,356,256
\$ 87,242,801	\$ 80,820,915	\$ 40,870,035	\$ 86,316,796	\$ 90,130,318	\$ 94,451,327
16.7%	18.4%	18.4%	17.9%	19.5%	17.8%

**CITY OF ROUND ROCK, TEXAS
ACTUAL AND TAXABLE ASSESSED VALUE OF PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Actual Assessed Value			Less:	Total	Total Direct Tax Rate
	Real Property	Personal Property	Total	Tax Exempt Property	Taxable Assessed Valuation	
2015	\$ 9,193,035,124	\$ 1,030,331,518	\$ 10,223,366,642	\$ 589,210,216	\$ 9,634,156,426	\$ 0.4146
2016	10,040,964,402	1,018,628,138	11,059,592,540	567,506,618	10,492,085,922	0.4147
2017	10,935,482,664	1,031,249,775	11,966,732,439	639,556,585	11,327,175,854	0.4250
2018	12,013,959,238	1,124,094,154	13,138,053,392	686,899,632	12,451,153,760	0.4300
2019	13,176,805,756	1,160,970,549	14,337,776,305	738,356,451	13,599,419,854	0.4200
2020	14,022,511,023	1,427,644,784	15,450,155,807	802,376,438	14,647,779,369	0.4390
2021	14,769,011,872	1,302,409,762	16,071,421,634	713,462,308	15,357,959,326	0.4390
2022	17,549,969,505	1,450,591,938	19,000,561,443	1,329,837,647	17,670,723,796	0.3970
2023	24,341,708,325	1,568,031,609	25,909,739,934	4,216,713,471	21,693,026,463	0.3420
2024	24,404,533,554	1,682,642,459	26,087,176,013	2,035,120,348	24,052,055,665	0.3420

Source: Williamson Central Appraisal District/Travis Central Appraisal District

Note - Property in the City is assessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.

CITY OF ROUND ROCK, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUE
LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rates			Overlapping Rates			Total Direct and Overlapping Rates
	Operating Rate	Debt Service Rate	Total Direct	Round Rock Independent School District	Williamson County	Special Districts	
2015	\$ 0.2628	\$ 0.1518	\$ 0.4146	\$ 1.3375	\$ 0.4865	\$ 0.1142	\$ 2.3528
2016	0.2545	0.1602	0.4147	1.3325	0.4815	0.1205	2.3492
2017	0.2719	0.1531	0.4250	1.3325	0.4765	0.1220	2.3560
2018	0.2879	0.1421	0.4300	1.3048	0.4665	0.1208	2.3221
2019	0.2981	0.1219	0.4200	1.3048	0.4590	0.1248	2.3086
2020	0.3135	0.1255	0.4390	1.2348	0.4587	0.1249	2.2574
2021	0.2963	0.1427	0.4390	1.2212	0.4587	0.1258	2.2447
2022	0.2649	0.1321	0.3970	1.1336	0.4408	0.1223	2.0937
2023	0.2244	0.1176	0.3420	1.0626	0.3756	0.1162	1.8964
2024	0.2385	0.1035	0.3420	0.9190	0.3774	0.1156	1.7540

Source: Williamson County Tax Office

**CITY OF ROUND ROCK, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Name of Taxpayer	2024			2015		
	Net Assessed Valuation	Rank	% of Total Net Assessed Valuation	Net Assessed Valuation	Rank	% of Total Net Assessed Valuation
Kalahari Resorts and Conventions	\$ 531,828,337	1	2.211 %	\$ -		- %
Dell Computer Holdings, LP	459,052,012	2	1.909	271,831,118	1	2.822
CMF 15 Portfolio, LLC/ Colonial Grand Apartments	166,473,839	3	0.692	61,751,700	7	0.641
CPG Round Rock, LP/ Round Rock Premium Outlets	162,797,859	4	0.677	137,998,674	2	1.432
Texas Essential Housing Public Facility Corporation	151,124,375	5	0.628	-		-
Dell Computer Corp.	135,466,474	6	0.563	74,321,793	4	0.771
2811 LA Frontera LP/ Griffis Apartments	101,470,905	7	0.422	-		-
36 Hundred Apartments, LLC	100,000,000	8	0.416	-		-
Stanmore Warner Ranch Apts, LLC	99,980,961	9	0.416	-		-
TMP Parkside Project, LLC/ Parkside at Round Rock	99,150,000	10	0.412	-		-
Ascension Seton Medical Center Williamson	-		-	106,340,261	3	1.104
Baltgem Development Corp./ La Frontera Village	-		-	73,283,114	5	0.761
Columbia/ St. David Healthcare	-		-	63,124,215	6	0.655
Oncor Electric Delivery Co.	-		-	43,434,180	8	0.451
Round Rock Luxury Apts, LTD	-		-	42,000,000	9	0.436
FST La Frontera, LLC	-		-	39,971,279	10	0.415
	<u>\$ 2,007,344,762</u>		<u>8.346 %</u>	<u>\$ 914,056,334</u>		<u>9.488 %</u>

Source: Williamson Central Appraisal District

**CITY OF ROUND ROCK, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 39,792,302	\$ 39,697,745	99.76%	\$ -	\$ 39,697,745	99.76 %
2016	44,063,923	43,894,949	99.62	292	43,895,241	99.62
2017	49,113,540	48,988,540	99.75	536	48,989,076	99.75
2018	53,890,399	53,775,618	99.79	801	53,776,419	99.79
2019	57,296,592	57,106,114	99.67	(28,094)	57,078,020	99.62
2020	64,708,293	64,443,984	99.59	(28,400)	64,415,584	99.55
2021	68,133,164	67,922,644	99.69	(64,061)	67,858,583	99.60
2022	70,241,994	70,033,185	99.70	(177,016)	69,856,169	99.45
2023	74,262,463	74,016,437	99.67	(228,088)	73,788,349	99.36
2024	82,116,022	81,754,170	99.56	-	81,754,170	99.56

**CITY OF ROUND ROCK, TEXAS
SALES TAX AND AD VALOREM TAX
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Total 1% Sales Tax Collected</u>	<u>Ad Valorem Tax Levy</u>	<u>% of Ad Valorem Tax Levy</u>	<u>Equivalent of Ad Valorem Tax Rate</u>	<u>Population</u>	<u>1% Sales Tax Per Capita</u>
2015	\$ 33,810,424	\$ 39,792,302	84.97 %	\$ 0.3509	\$ 105,405	\$ 321
2016	33,670,060	44,063,923	76.41	0.3209	106,591	316
2017	34,970,879	49,113,540	71.20	0.3087	108,353	323
2018	40,929,405	53,890,399	75.95	0.3287	112,201	365
2019	41,348,047	57,296,592	72.16	0.3040	116,120	356
2020	42,562,498	64,708,293	65.78	0.2906	118,024	361
2021	50,217,518	68,133,164	73.70	0.3270	122,827	409
2022	58,232,363	70,241,994	82.90	0.3295	124,614	467
2023	58,549,152	74,262,463	78.84	0.2699	128,957	454
2024	60,473,315	82,116,022	73.64	0.2514	132,927	455

Note: The City has adopted the Municipal Sales and Use Tax Act, Texas Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the bonds. Collections and enforcements are effected through the office of the Texas Comptroller of Public Accounts who remits the proceeds of the tax, after deduction of a 2% service fee to the City monthly.

The calculations above are only based on the 1% sales and use tax, not the 0.5% sales and use tax collected for reduction of ad valorem taxes or the 0.5% sales and use tax collected for transportation improvements.



**CITY OF ROUND ROCK, TEXAS
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS**

Calendar Year	Retail Trade	Manufacturing	Services	Wholesale Trade	Utilities
2014	\$ 1,529,469,558	\$ 1,061,444,585	\$ 432,758,149	\$ 128,755,561	\$ 34,412,553
2015	1,556,013,209	951,496,554	476,798,645	123,940,513	41,822,044
2016	1,592,542,371	905,719,610	505,372,604	141,775,154	41,190,339
2017	1,582,407,350	925,729,209	521,326,342	132,124,078	38,444,682
2018	1,766,233,513	1,022,456,613	544,823,077	144,551,512	44,328,814
2019	1,806,032,459	953,019,073	570,848,600	197,736,186	42,248,207
2020	1,782,012,610	843,382,610	523,120,666	221,749,525	24,315,005
2021	2,077,784,400	1,127,507,544	896,501,602	270,878,555	32,367,651
2022	2,278,068,535	1,457,309,601	957,452,286	308,871,134	57,963,650
2023	<u>2,266,709,722</u>	<u>1,015,127,456</u>	<u>948,686,397</u>	<u>314,327,473</u>	<u>61,761,524</u>
	<u>\$ 18,237,273,727</u>	<u>\$ 10,263,192,855</u>	<u>\$ 6,377,688,368</u>	<u>\$ 1,984,709,691</u>	<u>\$ 418,854,469</u>

Source: Texas Comptroller of Public Accounts

Note: Sales information is not available on a fiscal year basis. Also, due to State of Texas confidentiality rules, names of sales taxpayers are not available. The categories presented provide alternative information indicative of sales tax revenue sources.

Construction	Finance, Insurance	Total	City Direct Sales Tax Rate	State Sales Tax Rate	Over- lapping
\$ 95,799,482	\$ 2,497,918	\$ 3,285,137,806	2.00 %	6.25 %	8.25 %
110,293,477	2,600,258	3,262,964,700	2.00	6.25	8.25
135,370,923	2,951,985	3,324,922,986	2.00	6.25	8.25
144,818,546	2,773,206	3,347,623,413	2.00	6.25	8.25
162,271,653	2,449,613	3,687,114,795	2.00	6.25	8.25
175,871,253	2,898,780	3,748,654,558	2.00	6.25	8.25
159,456,159	3,103,437	3,557,140,012	2.00	6.25	8.25
151,326,047	3,053,232	4,559,419,031	2.00	6.25	8.25
194,741,671	3,034,913	5,257,441,790	2.00	6.25	8.25
192,283,446	3,343,849	4,802,239,867	2.00	6.25	8.25
<u>\$ 1,522,232,657</u>	<u>\$ 28,707,191</u>	<u>\$ 38,832,658,958</u>			

CITY OF ROUND ROCK, TEXAS
HOTEL TAXPAYERS
YEAR ENDED SEPTEMBER 30, 2024
(cash basis of accounting)

Taxpayer	Hotel Motel Occupancy Tax	Hotel Motel Occupancy Venue Tax	Total Collections Year Ended Sept. 30, 2024	Number of Rooms	% of Total Collections
Kalahari Resorts & Conventions	\$ 6,290,421	\$ 1,797,274	\$ 8,087,695	975	47.18 %
Austin Marriott North	730,015	210,037	940,052	295	5.48
Embassy Suites	614,813	177,435	792,248	180	4.62
Hyatt Place	289,155	82,616	371,771	138	2.17
Hilton Garden Inn	275,394	79,479	354,873	122	2.07
Homewood Suites	270,779	77,366	348,145	115	2.03
Home2 Suites North	256,160	73,189	329,349	119	1.92
Element	246,912	71,259	318,171	123	1.86
La Quinta East	234,518	67,016	301,534	99	1.76
Aloft	233,172	67,293	300,465	120	1.75
Holiday Inn Express North	222,544	64,226	286,770	109	1.67
Courtyard Marriott	217,023	62,007	279,030	113	1.63
Springhill Suites	212,760	61,361	274,121	104	1.60
Hampton Inn	204,543	58,515	263,058	93	1.53
Tru By Hilton	202,042	57,910	259,952	98	1.52
Home2 Suites South	191,251	54,643	245,894	91	1.43
Holiday Inn Express South	190,383	54,827	245,210	91	1.43
Towneplace Suites	185,490	53,000	238,490	102	1.39
AVID	168,325	48,431	216,756	89	1.26
La Quinta South	155,725	44,770	200,495	86	1.17
Holiday Inn	154,063	44,463	198,526	116	1.16
Wingate Inn	148,322	42,806	191,128	100	1.11
Ruby Hotel	135,653	39,072	174,725	39	1.02
Residence Inn	133,375	38,107	171,482	96	1.00
Staybridge	123,575	35,558	159,133	81	0.93
Short Term Rentals	122,497	35,294	157,791	89	0.92
Microtel	118,814	34,290	153,104	82	0.89
Best Western	103,195	29,782	132,977	68	0.78
Sleep Inn	102,060	29,455	131,515	74	0.77
La Quinta North	92,752	26,680	119,432	116	0.70
Red Roof Inn	87,958	25,322	113,280	107	0.66
Motel 6	78,710	22,670	101,380	60	0.59
Country Inn	78,459	22,417	100,876	61	0.59
Extended Stay America #6030	78,388	22,396	100,784	138	0.59
Quality Inn	78,291	22,388	100,679	49	0.59
Extended Stay America #6197	72,722	20,820	93,542	104	0.55
Comfort Suites	70,676	20,407	91,083	63	0.53
Woodspring Suites South	55,458	16,005	71,463	122	0.42
Candlewood Suites	49,790	14,361	64,151	98	0.37
Woodspring Suites North	47,158	13,474	60,632	121	0.35
	<u>\$ 13,323,341</u>	<u>\$ 3,818,421</u>	<u>\$ 17,141,762</u>	<u>5,046</u>	<u>100.0 %</u>

CITY OF ROUND ROCK, TEXAS
HOTEL OCCUPANCY TAX COLLECTION HISTORY BY QUARTER
LAST TEN FISCAL YEARS
(cash basis of accounting)

Fiscal Year	1st Quarter Oct. – Dec.	2nd Quarter Jan. – Mar.	3rd Quarter Apr. – June	4th Quarter July – Sept.	Total
2015	\$ 1,114,213	\$ 1,274,209	\$ 1,437,121	\$ 1,258,012	\$ 5,083,555
2016	1,214,093	1,354,383	1,570,064	1,269,127	5,407,667
2017	1,249,406	1,411,265	1,509,276	1,345,218	5,515,165
2018	1,365,737	1,429,006	1,637,645	1,281,847	5,714,235
2019	1,365,684	1,546,937	1,661,651	1,426,175	6,000,447
2020	1,574,968	1,289,910	483,480	763,500	4,111,858
2021	1,145,806	2,201,407	3,689,498	3,966,416	11,003,127
2022	3,235,991	3,249,855	4,400,515	4,241,830	15,128,191
2023	3,913,244	3,959,304	4,634,993	4,540,641	17,048,182
2024	3,926,574	3,194,936	4,501,096	5,519,156	17,141,762

CITY OF ROUND ROCK, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation	Other Debt Obligations	Revenue Bonds and Other Obligations			
2015	\$ 154,925,000	\$ 29,675,000	\$ 56,701,818	\$ 87,827,948	\$ 329,129,766	10.00%	\$ 3,123
2016	149,540,000	27,095,000	52,746,502	89,364,624	318,746,126	6.43	2,990
2017	170,615,000	26,315,000	49,477,613	86,027,443	332,435,056	6.87	3,068
2018	162,820,000	25,520,000	48,520,464	82,997,070	319,857,534	5.93	2,851
2019	151,405,000	58,870,000	68,930,433	79,510,797	358,716,230	6.08	3,089
2020	141,220,000	88,025,000	64,350,491	75,999,389	369,594,880	5.89	3,132
2021	131,555,000	140,250,000	84,871,892	72,342,981	429,019,873	6.16	3,493
2022	162,165,000	148,300,000	104,303,592	68,669,982	483,438,574	6.16	3,879
2023	149,840,000	143,025,000	103,002,121	64,728,235	460,595,356	5.32	3,572
2024	158,870,000	155,955,000	111,357,951	61,125,710	487,308,661	5.03	3,666

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

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

CITY OF ROUND ROCK, TEXAS
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population*	Net Assessed Value (in thousands)	Gross Bonded Debt	Amount Available in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2015	105,405	\$ 9,634,156	\$ 203,112,523	\$ 2,351,780	\$ 200,760,743	2.08	\$ 1,905
2016	106,591	10,492,086	195,911,354	2,749,645	193,161,709	1.84	1,812
2017	108,353	11,327,176	216,797,444	3,880,982	212,916,462	1.88	1,965
2018	112,201	12,451,154	211,532,890	4,853,517	206,679,373	1.66	1,842
2019	116,120	13,599,420	236,945,452	5,019,375	231,926,077	1.71	1,997
2020	118,024	14,647,779	255,778,105	5,080,091	250,698,014	1.71	2,124
2021	122,827	15,357,959	298,467,896	5,519,166	292,948,730	1.91	2,385
2022	124,614	17,670,723	336,822,235	4,658,982	332,163,253	1.88	2,666
2023	128,957	21,693,026	321,916,918	4,110,112	317,806,806	1.47	2,464
2024	132,927	24,052,056	354,995,635	5,421,856	349,573,779	1.45	2,630

* Source: Planning Department, City of Round Rock

Note: Includes Certificates of Obligation, General Obligation Bonds, Limited Tax Notes, Notes Payable, Excess Sales Tax Liability, Leases, and Subscriptions net of related premiums and discounts.

CITY OF ROUND ROCK, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
YEAR ENDED SEPTEMBER 30, 2024

Name of Governmental Unit	Total General Debt Outstanding*	Estimated Percentage Applicable**	Estimated Share of Overlapping Debt
Debt repaid with property taxes-			
Williamson County	\$ 1,311,170,000	17.68 %	\$ 231,814,856
Round Rock Independent School District	660,675,000	37.59	248,347,733
Round Rock MUD #1	22,675,000	100.00	22,675,000
Round Rock MUD #2	16,395,000	100.00	16,395,000
Travis County	1,099,010,000	0.23	2,527,723
Austin Community College	540,180,000	5.97	32,248,746
Georgetown ISD	899,940,000	1.17	10,529,298
Pflugerville ISD	730,030,000	0.26	1,898,078
Travis County Healthcare District	165,705,000	0.23	381,122
Upper Brushy Creek WICD	49,920,000	27.42	<u>13,688,064</u>
Subtotal, overlapping debt			580,505,620
City direct debt			<u>426,182,951</u>
Total direct and overlapping debt			<u><u>\$ 1,006,688,571</u></u>

* Gross Debt as of September 30, 2024

** The percentage of overlapping debt applicable is estimated using taxable assessed property values.

Source: City of Round Rock Finance Department and Municipal Advisory of Texas (Texas MAC)

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 of Round Rock, Texas. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt 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.



**CITY OF ROUND ROCK, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018
Debt limit	\$ 1,640,628,922	\$ 1,786,728,268	\$ 1,928,938,196	\$ 2,120,343,710
Total net debt applicable to limit	<u>178,893,220</u>	<u>170,530,355</u>	<u>193,049,018</u>	<u>183,486,483</u>
Legal debt margin	<u>\$ 1,461,735,702</u>	<u>\$ 1,616,197,913</u>	<u>\$ 1,735,889,178</u>	<u>\$ 1,936,857,227</u>
Total net debt applicable to the limit as a percentage of debt limit	10.90%	9.54%	10.01%	8.65%

Legal Debt Margin Calculation for Fiscal Year 2024

Total assessed value	<u>\$ 24,052,055,665</u>
Debt limit - maximum serviceable at permitted allocation of \$1.50 per \$100 of assessed value	\$ 4,095,895,523
Amount of debt applicable to debt limit: Total General Obligation Debt	\$ 337,952,961
Less: Amount available in Debt Service Fund	<u>(5,421,856)</u>
Total net debt applicable to debt limit	<u>332,531,105</u>
Legal debt margin	<u>\$ 3,763,364,418</u>

There is no direct debt limitation in the City Charter or under state law. The City operates under a Home Rule Charter (Article XI, Section 5, Texas Constitution), approved by voters in August 1977, that limits the maximum tax rate, for all City purposes, to \$2.50 per \$100 assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for general obligation debt service.

Assuming the maximum tax rate for debt service of \$1.50 on January 1, 2023, assessed valuation of \$24,052,055,665 at 100% collection, tax revenue of \$360,780,835 would be produced. This revenue could service the debt on \$4,095,895,523 issued as 20-year serial bonds at 5.50% (with level debt service payment).

Interest and Sinking Fund Budget Projection

General Obligation Debt Service Requirements, Fiscal Year 2025	\$ 30,552,629
Tax Year 2023 Interest and Sinking Fund Tax Levy @ 99% Collection	\$ 28,163,900
Interest and Sinking Fund Balance as of September 30, 2024	5,421,856
Self-Supporting Debt	<u>1,872,650</u>
	<u>35,458,406</u>
Estimated Balance, September 30, 2025	<u>\$ 4,905,777</u>

2019	2020	2021	2022	2023	2024
\$ 2,315,885,331	\$ 2,494,413,566	\$ 2,615,352,206	\$ 3,009,199,691	\$ 3,694,169,480	\$ 4,095,895,523
205,255,625	224,164,909	266,285,834	315,255,537	301,800,792	332,531,105
<u>\$ 2,110,629,706</u>	<u>\$ 2,270,248,657</u>	<u>\$ 2,349,066,372</u>	<u>\$ 2,693,944,154</u>	<u>\$ 3,392,368,688</u>	<u>\$ 3,763,364,418</u>

8.86%

8.99%

10.18%

10.48%

8.17%

8.12%

CITY OF ROUND ROCK, TEXAS
CONDENSED UTILITY STATEMENT OF OPERATIONS
LAST TEN FISCAL YEARS

	2015	2016	2017	2018
Gross Revenue (1)				
Charges for services	\$ 41,880,906	\$ 44,406,721	\$ 47,769,478	\$ 50,715,034
Licenses, permits and fees	4,017,184	4,247,067	4,211,137	4,226,721
Investment and other income	863,900	1,211,532	2,284,171	3,122,041
Total	46,761,990	49,865,320	54,264,786	58,063,796
Direct Operating Expense (2)				
Personnel services	9,228,272	9,742,128	11,871,681	10,940,702
Contracted services	14,500,269	15,222,355	14,854,212	16,695,290
Materials and supplies	1,837,026	2,091,331	2,504,640	2,392,415
Heat, light and power	1,783,408	1,662,779	1,618,297	1,578,540
Total	27,348,975	28,718,593	30,848,830	31,606,947
Net available for Debt Service	<u>\$ 19,413,015</u>	<u>\$ 21,146,727</u>	<u>\$ 23,415,956</u>	<u>\$ 26,456,849</u>
Debt Service Requirements (P&I)	\$ 6,894,788	\$ 5,994,842	\$ 6,352,459	\$ 5,444,927
Revenue Bond Coverage	2.82	3.53	3.67	4.86
Metered Water Customers	32,447	32,930	33,602	34,581
Metered Wastewater Customers	31,531	31,984	32,614	33,277
Average Annual Principal and Interest Requirements, FY 2025-2039			\$	4,913,857
Coverage of Average Requirements by FY 2024 Net Revenue				6.62
Estimated Maximum Principal and Interest Requirements, FY 2025			\$	5,952,331
Estimated Coverage of Maximum Requirements by FY 2024 Net Revenue				5.46
Parity Debt Outstanding at FY 2024			\$	56,175,000

(1) Water and Wastewater Fund operating and non-operating revenues

(2) Water and Wastewater Fund operating expenses, excluding depreciation/amortization

2019	2020	2021	2022	2023	2024
\$ 51,973,150	\$ 55,695,939	\$ 55,106,110	\$ 60,923,212	\$ 61,870,880	\$ 58,952,865
4,828,792	4,693,720	5,472,368	6,302,178	6,394,076	6,447,691
4,772,982	4,010,185	2,363,247	90,182	7,289,303	14,432,338
61,574,924	64,399,844	62,941,725	67,315,572	75,554,259	79,832,894
12,809,236	12,751,829	12,896,946	13,633,693	16,702,089	18,437,608
14,844,774	13,759,401	16,476,180	18,392,887	17,758,878	21,436,997
3,385,739	2,747,862	3,051,250	4,234,393	4,319,533	4,545,633
2,188,155	2,452,847	2,404,405	2,891,204	3,109,243	2,901,029
33,227,904	31,711,939	34,828,781	39,152,177	41,889,743	47,321,267
<u>\$ 28,347,020</u>	<u>\$ 32,687,905</u>	<u>\$ 28,112,944</u>	<u>\$ 28,163,395</u>	<u>\$ 33,664,516</u>	<u>\$ 32,511,627</u>
\$ 6,102,631	\$ 6,082,481	\$ 6,073,581	\$ 6,062,631	\$ 5,956,631	\$ 5,948,181
4.65	5.37	4.63	4.65	5.65	5.47
35,397	35,998	36,593	37,324	37,659	38,441
34,085	35,299	35,879	36,581	36,883	37,635



**CITY OF ROUND ROCK, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Income	(3) Median Age	(4) School Enrollment	(5) Unemployment Rate
2015	105,405	\$ 4,104,259,890	\$ 38,938	33.5	47,093	3.2 %
2016	106,591	4,636,495,318	43,498	33.9	47,580	3.3
2017	108,353	4,841,103,687	44,679	34.4	48,121	3.0
2018	112,201	5,395,858,291	48,091	34.2	48,888	2.9
2019	116,120	5,896,109,120	50,776	33.7	50,345	2.6
2020	118,024	6,272,385,480	53,145	33.7	50,966	5.4
2021	122,827	6,963,431,111	56,693	33.7	48,366	3.3
2022	124,614	7,842,083,634	62,931	33.7	47,184	2.6
2023	128,957	8,650,822,431	67,083	35.2	46,385	3.2
2024	132,927	9,680,807,556	72,828	35.4	47,131	3.3

Sources: (1) Planning Department, City of Round Rock
(2) U.S. Dept. of Commerce / Bureau of Economic Development; data is for Williamson County, which is representative of the City; data for City not available.
(3) U.S. Census Bureau
(4) Round Rock Independent School District
(5) U.S. Bureau of Labor Statistics

**CITY OF ROUND ROCK, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Name of Employer	2024			2015		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Dell Technologies	12,000	1	14.05 %	14,000	1	24.09 %
Round Rock Independent School District	6,341	2	7.42	5,800	2	9.98
St. David's Round Rock Medical Center	1,300	3	1.52	690	9	1.19
Kalahari Resorts & Conventions	1,200	4	1.40	-		-
City of Round Rock	1,177	5	1.38	890	4	1.53
UPS	914	6	1.07	-		-
Baylor Scott & White Healthcare	911	7	1.07	750	7	1.29
Ascension Seton Medical Center Williamson	831	8	0.97	-		-
Airco Mechanical	827	9	0.97	-		-
Emerson Automation Solutions	750	10	0.88	880	5	1.51
Sears TeleServe	-		-	1,600	3	2.75
Round Rock Premium Outlets	-		-	800	6	1.38
Texas Guaranteed Student Loan	-		-	700	8	1.20
Liquidation Channel	-		-	600	10	1.03
Wayne, a GE Energy Business	-		-	600	10	1.03
Total	<u>26,251</u>		<u>30.73 %</u>	<u>27,310</u>		<u>46.98 %</u>

Source: City of Round Rock Finance Department/Round Rock Chamber of Commerce

CITY OF ROUND ROCK, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General government	159	163	179	194	202	205	206	216	223	237
Public safety-										
Police-										
Officers	167	168	174	176	176	180	180	186	200	200
Civilians	67	72	74	75	78	78	78	82	82	87
Fire-										
Firefighters & officers	129	132	134	149	152	153	155	159	163	169
Civilians	8	8	8	9	10	10	8	22	24	25
Public works-										
Street & Stormwater	69	76	73	77	81	82	82	90	96	96
Shop	18	19	18	18	19	19	19	19	22	23
Culture & Recreation-										
Library	31	31	31	31	32	33	34	40	40	49
Parks & Recreation	91	106	102	105	107	108	108	110	129	134
Water & Wastewater Utility	<u>129</u>	<u>128</u>	<u>128</u>	<u>131</u>	<u>151</u>	<u>151</u>	<u>151</u>	<u>151</u>	<u>153</u>	<u>157</u>
Total	<u>868</u>	<u>903</u>	<u>921</u>	<u>965</u>	<u>1,008</u>	<u>1,019</u>	<u>1,021</u>	<u>1,075</u>	<u>1,132</u>	<u>1,177</u>

Source: City of Round Rock Finance Department

**CITY OF ROUND ROCK, TEXAS
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018
Function:				
Police-				
Arrests	4,600	4,476	4,600	4,152
Accident reports	2,249	2,370	2,370	2,762
Index crimes reported*	2,329	2,383	2,383	2,870
Crimes per thousand residents*	22.00	22.50	22.50	26.50
Officers per thousand of population	1.53	1.43	1.48	1.56
Fire-				
Incident volume**	9,928	9,346	10,777	11,328
Priority calls answered**	2,780	3,735	2,548	5,083
Non-emergency calls answered**	7,148	5,611	8,229	6,245
Priority calls-response less than 6 minutes	56%	61%	58%	53%
Public Works-				
Street-				
Street resurfacing (lane miles)	40	60	60	60
Potholes repaired annually	1,500	400	300	300
Signals maintained	84	83	89	90
Shop-				
Work orders	4,399	4,761	4,620	4,733
Number of departments served	12	12	12	12
Culture and Recreation-				
Library-				
Number of items circulated	972,094	1,080,312	1,188,757	1,229,141
Number of card holders	99,822	77,818	79,415	81,181
Number of library visits	388,625	391,256	389,930	388,732
Parks & Recreation-				
Total park acres maintained	2,045	2,045	2,270	2,270
Number of athletic fields maintained	49	49	49	49
Number of trees planted	110	195	408	43
Number of recreation participants	832,184	988,337	1,080,853	1,140,094
Water-				
New connections	402	480	665	911
Line maintenance work orders	3,317	3,512	3,346	3,013
Average monthly consumption	505,251,158	536,082,308	571,062,558	612,026,451
Wastewater-				
Average monthly treatment	385,611,068	416,357,161	425,631,471	426,330,521
Line feet reviewed for infiltration & inflow	187,464	189,418	206,675	169,579

Source: City of Round Rock Finance Department

*Note: The Police Department started using the NIBRS System in FY 2020 to report to the State.

**Note: The Fire Department started using a new program to record incidents starting in FY 2021.

2019	2020	2021	2022	2023	2024
4,272	3,592	3,049	4,243	4,275	4,208
2,698	2,636	2,236	3,109	3,408	3,281
2,648	2,400	6,960	8,522	8,365	7,873
23.40	21.00	56.10	67.80	57.70	58.40
1.53	1.53	1.49	1.48	1.52	1.48
11,813	12,189	13,193	14,876	15,781	16,160
4,078	3,248	2,590	6,288	3,715	4,844
7,735	8,941	10,603	8,588	12,066	11,316
79%	73%	72%	67%	58%	71%
121	183	190	140	80	72
280	250	220	260	285	320
93	100	100	100	101	104
4,936	4,980	2,972	4,492	4,763	4,896
12	12	12	12	14	14
1,315,186	986,686	1,105,973	1,171,561	1,290,953	1,500,148
83,507	80,656	65,159	65,788	74,490	81,173
416,391	219,736	156,742	275,851	449,234	552,424
2,285	2,285	2,295	2,301	2,305	2,328
49	51	51	51	51	51
74	98	73	21	56	51
892,870	332,895	513,322	518,194	548,195	717,461
789	534	486	710	347	814
1,778	2,366	2,383	2,513	2,508	3,599
543,547,232	620,080,709	622,781,309	773,701,493	802,575,698	671,803,014
410,300,487	440,156,307	498,103,453	537,916,079	554,289,168	464,221,683
133,098	109,080	102,296	194,727	204,657	166,454

**CITY OF ROUND ROCK, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Police-				
Number of stations	1	1	1	1
Number of units	240	259	256	261
Fire-				
Number of stations	7	7	9	9
Number of fire trucks	16	15	16	16
Public Works-				
Street-				
Lane miles	1,250	1,200	1,200	1,300
Drainage miles	150	150	151	200
Number of street lights	5,400	5,433	5,604	5,674
Number of traffic signals	84	83	89	90
Shop-				
Repair facilities	1	1	1	1
Number of bays	19	13	18	18
Culture and Recreation-				
Library-				
Number of library books	156,277	257,667	213,381	225,903
Number of library facilities	1	1	1	1
Parks & Recreation-				
Total park acres	2,035	2,035	2,270	2,270
Number of athletic fields	49	49	59	59
Number of parks	62	62	61	61
Number of tennis courts	25	25	22	21
Number of pools	4	4	4	4
Water-				
Number of miles of water lines*	608	615	614	651
Pumping stations	10	10	10	10
Tanks	19	19	19	19
Treatment capacity (millions of gallons/day)	52	52	52	52
Wastewater-				
Number of miles of wastewater mains	424	427	428	461
Wastewater lift stations	12	12	12	12

Source: City of Round Rock Finance Department

* Includes MUDS and private owned lines

2019	2020	2021	2022	2023	2024
1 241	1 252	1 258	1 270	1 268	1 274
9 17	9 17	9 17	9 20	9 11	9 12
1,350 200 5,733 93	1,450 333 5,771 100	1,500 352 5,749 100	1,500 368 5,787 100	1,500 395 5,787 101	1,500 522 8,878 104
1 18	2 21	2 21	2 21	2 21	2 21
230,094 1	227,880 1	228,866 1	230,577 1	218,927 1	218,545 1
2,285 61 61 21 4	2,285 61 61 21 4	2,295 61 61 21 4	2,301 61 61 21 4	2,305 61 61 21 4	2,328 61 61 21 4
636 11 19 52	667 11 19 61	698 11 20 61	722 11 20 61	711 11 20 61	713 11 20 61
445 11	467 11	477 11	495 11	514 12	516 12

**CITY OF ROUND ROCK, TEXAS
TOP TEN WATER CUSTOMERS
SEPTEMBER 30, 2024**

Name of Customer	Type of Business	Water Consumption in Gallons	% of Total Water Consumption in Gallons
City of Georgetown, Texas	Municipality	580,443,000	7.200 %
Fern Bluff Municipal Utility District	Municipal Utility District	279,881,900	3.472
Paloma Lake Municipal Utility District	Municipal Utility District	247,239,800	3.067
Williamson County Municipal Utility District #11	Municipal Utility District	185,925,700	2.306
Williamson County Municipal Utility District #10	Municipal Utility District	162,002,800	2.010
Kalahari Resorts & Conventions	Hotel	145,490,000	1.805
Chandler Creek Municipal Utility District	Municipal Utility District	144,316,500	1.790
Vista Oaks Municipal Utility District	Municipal Utility District	133,642,600	1.658
Jonah Water Special Utility District	Special Utility District	96,022,200	1.191
Dell, Inc.	Electronic Equipment	75,912,600	0.942
		<u>2,050,877,100</u>	<u>25.441 %</u>

Source: City of Round Rock Finance Department

**CITY OF ROUND ROCK, TEXAS
WATER AND WASTEWATER RETAIL RATES
SEPTEMBER 30, 2024**

Water rates for retail customers inside the city limits are as follows:

Volume Rate	Monthly Service Charge	
<i>Billing periods for residential:</i>	Meter Size Base	Monthly Water
Four block structure for use in excess of predetermined amounts set by meter size -	Serving Customer	Service Charge
Block 1: \$2.56	5/8 inch	\$ 16.52
Block 2: \$3.20	3/4 inch	23.00
Block 3: \$3.85	1 inch	36.32
Block 4: \$5.77	1 1/2 inch	69.59
	2 inch	109.51
<i>Billing periods for commercial:</i>	3 inch	202.68
\$2.80 per 1,000 gallons of water used by all customers	4 inch	335.79
	6 inch	1,046.86
<i>Billing periods for irrigation:</i>	8 inch	1,829.77
Four block structure for use in excess of predetermined amounts set by meter size -	10 inch	2,873.67
Block 1: \$3.20	12 inch	3,526.11
Block 2: \$3.85		
Block 3: \$5.77		

Wastewater rates for retail customers inside the city limits are as follows:

Volume Rate	Monthly Service Charge	
	Meter Size Base	Monthly
	Serving Customer	Wastewater
		Service Charge
\$3.09 per 1,000 gallons of water used by all customers*	5/8 inch	\$ 13.27
	3/4 inch	17.31
	1 inch	24.82
	1 1/2 inch	45.26
	2 inch	69.79
	3 inch	127.01
	4 inch	208.75
	6 inch	615.27
	8 inch	1,073.67
	10 inch	1,684.85
	12 inch	2,066.84

* Wastewater customers' volume is measured as the rate per 1,000 gallons of the lesser of a three-month winter average or actual water use.

Source: City of Round Rock Chapter 44, Section 44-32, Code of Ordinances. (2018 Edition) amended with ordinance No. O-2019-0379 and No. O-2022-020.



CITY OF ROUND ROCK, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass-Through Grantor Program Title	ALN*	Grant or Identifying Number	Pass-Through to Non-State Entities	Direct Expenditures	Total Expenditures
Institute of Museum and Library Services					
Pass-Through from Texas State Library and Archives Commission					
Grants to States	45.310	LS-253655-OLS-23	\$ -	\$ 10,614	\$ 10,614
Total Institute of Museum and Library Services			-	10,614	10,614
U.S. Department of Health and Human Services					
<i>Pass-Through from Substance Abuse and Mental Health Services Administration</i>					
FY 2022 Congressional Directive Spending Projects	93.493	13656629	-	158,892	158,892
Total U.S. Department of Health and Human Services			-	158,892	158,892
U.S. Department of Homeland Security					
<i>Pass-Through from Texas A&M Engineering Extension Service</i>					
National Urban Search & Rescue Response System					
TC Idalia	97.025	TC Idalia	-	17,509	17,509
Total National Urban Search & Rescue Response System			-	17,509	17,509
<i>Pass-Through from Texas A&M Engineering Extension Service</i>					
Fire Management Assistance Grant					
Wildfire Season 2024	97.046	24-0001	-	9,590	9,590
Total Fire Management Assistance Grant			-	9,590	9,590
<i>Pass-Through from Texas Division of Emergency Management</i>					
Disaster Grants-Public Assistance (Presidentially Declared Disasters)					
Texas Severe Winter Storm (Mara)	97.036	DR-4705-TX	-	47,768	47,768
Total Disaster Grants-Public Assistance (Presidentially Declared Disasters)			-	47,768	47,768
Total U.S. Department of Homeland Security			-	74,867	74,867
U.S. Department of Housing & Urban Development					
Community Development Block Grants/Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	14.218	B18MC480514	-	169,541	169,541
Community Development Block Grants/Entitlement Grants	14.218	B19MC480514	-	92,023	92,023
Community Development Block Grants/Entitlement Grants	14.218	B20MC480514	-	68,553	68,553
Community Development Block Grants/Entitlement Grants	14.218	B21MC480514	-	41,015	41,015
Community Development Block Grants/Entitlement Grants	14.218	B22MC480514	-	327,000	327,000
Community Development Block Grants/Entitlement Grants	14.218	B23MC480514	94,388	220,095	314,483
Community Development Block Grants/Entitlement Grants (Covid-19)	14.218	B20MW480514	-	27,353	27,353
Total Community Development Block Grants/Entitlement Grants Cluster			94,388	945,580	1,039,968
Total U.S. Department of Housing & Urban Development			94,388	945,580	1,039,968
U.S. Department of Justice					
Bulletproof Vest Partnership Program	16.607	FY2023 BVP Program	-	2,637	2,637
Total U.S. Department of Justice			-	2,637	2,637
U.S. Department of the Interior					
<i>Pass-Through from Texas Historical Commission</i>					
Historic Preservation Fund Grants-In-Aid	15.904	TX-24-013	-	3,370	3,370
Total U.S. Department of the Interior			-	3,370	3,370
U.S. Department of the Treasury					
Coronavirus State and Local Fiscal Recovery Funds (Covid-19)	21.027	SLT-4414	-	4,227,904	4,227,904
<i>Pass-Through from Williamson County, Texas</i>					
Coronavirus State and Local Fiscal Recovery Funds (Covid-19)	21.027		-	84,120	84,120
Total Coronavirus State and Local Fiscal Recovery Funds (Covid-19)			-	4,312,024	4,312,024
Total U.S. Department of the Treasury			-	4,312,024	4,312,024

**CITY OF ROUND ROCK, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2024**

Federal Grantor/Pass-Through Grantor Program Title	ALN*	Grant or Identifying Number	Pass-Through to Non-State Entities	Direct Expenditures	Total Expenditures
U.S. Department of Transportation					
Federal Transit Cluster					
Federal Transit Formula Grants	20.507	TX-2020-026-00	\$ -	\$ 39,163	\$ 39,163
Federal Transit Formula Grants	20.507	TX-2021-003-00	-	373,260	373,260
Federal Transit Formula Grants	20.507	TX-2021-039-00	-	458,110	458,110
<i>Total Federal Transit Cluster</i>			-	870,533	870,533
Total U.S. Department of Transportation			-	870,533	870,533
Total Expenditures of Federal Awards			\$ 94,388	\$ 6,378,517	\$ 6,472,905

*Assistance Listing Number (ALN) formerly known as Catalog of Federal Domestic Assistance (CFDA).

1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all applicable federal awards of the City of Round Rock, Texas. The City's reporting entity is defined in the notes of the basic financial statements. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included on the Schedule of Expenditures of Federal Awards. The information on this schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting. Expenditures are recognized when the related fund liability is incurred. Federal grants are considered to be earned to the extent of expenditures made under the provision of the grant and are received on a reimbursement basis.

3. INDIRECT COST RATE

The City of Round Rock has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. EXPENDITURES INCURRED IN A PRIOR YEAR

Expenditures recorded in the SEFA, associated with TC Idalia and Texas Severe Winter Storm that were passed through the Texas A&M Engineering Extension Service and Texas Division of Emergency Management to the City of Round Rock from the U.S. Department of Homeland Security, were incurred in a prior year.

Even though the expenditures were incurred in a prior year, the final invoices were not approved for payment until FY 2024. Accordingly, these expenditures are being reported on the City of Round Rock's SEFA in the year they were approved for payment, in compliance with the OMB Compliance Supplement.

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and
Members of City Council
City of Round Rock, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Round Rock, Texas (the “City”), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated February 3, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Honorable Mayor and
Members of City Council
City of Round Rock, Texas

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Whitley Penn LLP

Austin, Texas
February 3, 2025

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and
Members of City Council
City of Round Rock, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Round Rock, Texas' (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards, the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

To the Honorable Mayor and
Members of City Council
City of Round Rock, Texas

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

To the Honorable Mayor and
Members of City Council
City of Round Rock, Texas

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Whitley Penn LLP

Austin, Texas
February 3, 2025

CITY OF ROUND ROCK, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2024

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Federal Programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
U.S. Department of Housing & Urban Development <i>Community Development Block Grants/Entitlement Grants Cluster</i>	14.218
U.S. Department of Transportation <i>Federal Transit Cluster</i>	20.507
U.S. Department of the Treasury <i>Coronavirus State and Local Fiscal Recovery Funds (COVID-19)</i>	21.027
Dollar Threshold Used to Distinguish Between Type A and Type B Programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

II. Financial Statement Findings

None noted.

III. Federal Award Findings and Questioned Costs

None noted.

CITY OF ROUND ROCK, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2024

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected, or no longer valid or not warranting further action.

The Summary Schedule of Prior Audit Findings for the year ended September 30, 2024 has been prepared to address these requirements.

I. Prior Audit Findings

None noted.

CITY OF ROUND ROCK, TEXAS
CORRECTIVE ACTION PLAN
For the Year Ended September 30, 2024

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports."

The Corrective Action Plan for the year ended September 30, 2024 has been prepared to address these requirements.

I. Corrective Action Plan

Not applicable.