

CITY OF ROUND ROCK

Popular Annual Financial Report

Fiscal Year Ended September 30, 2024



SETTING the SCENE for SUCCESS



Popular Annual Financial Report

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Purpose

The purpose of this Popular Annual Financial Report (PAFR) is to summarize and simplify the information provided in the City's Annual Comprehensive Financial Report (ACFR) which is developed in conformity with generally accepted accounting principles (GAAP) and is independently audited by Whitley Penn L.L.P. Although unaudited, the PAFR provides readers a summary of the City's revenues, expenditures, and local economic indicators for the fiscal year ended September 30, 2024. This report is intended for readers that prefer to review operational and financial information in summary form and does not substitute for the City's ACFR.



The City of Round Rock ACFR for the fiscal year ended 2024, from which the information on pages 12-19 has been drawn, will be submitted for consideration of the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

[City of Round Rock Annual Comprehensive Financial Report](#) for the Fiscal Year Ended September 30, 2024.



Government Finance Officers Association

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

Presented to

**City of Round Rock
Texas**

For its Annual Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrell

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Round Rock, Texas for its Popular Annual Financial Report for the fiscal year ended September 30, 2023. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, accessibility, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Round Rock has received a Popular Award for the last 13 consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements and are submitting it to GFOA for consideration.



Welcome to Round Rock

Location

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

Our location also provides ready access to the State Capitol, multiple colleges, several large hospitals and medical educational facilities, a long list of high-tech industries, including Dell, and a civilian work force of over 1,240,000 within the Austin MSA (Round Rock Chamber of Commerce). The Texas Hill Country and the Highland Lakes are within minutes, providing residents easy access to some of the best outdoor recreation in Texas.





About Round Rock

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

Today, the City of Round Rock is a fast growing, economically diverse community with a population of approximately 134,000. The City has experienced tremendous population growth which has led to an increased demand for city services. To adequately prepare for the effect of this activity on the City, much effort goes into planning and funding infrastructure and service programs. Each winter, the City Council reviews the City's successes and challenges and refines both the short-term and long-term strategic goals for the City. These goals set the direction for the allocation of staff and financial resources and are the basis for the development of the following year's budget.

Economy

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

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

Strategic Goals for FY 2024



Financially Sound
City Providing
High-Value Services



City Infrastructure:
Today and for
Tomorrow



Great Community
to Live



"Sports Capital of
Texas" for Tourism
and Residents



Authentic
Downtown -
Exciting Community
Destination

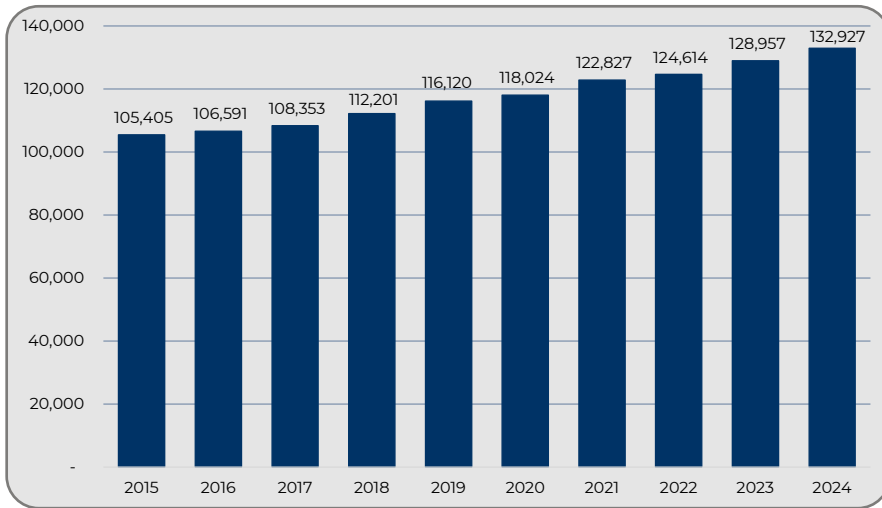


Sustainable
Neighborhoods -
Old and New



Welcome to Round Rock Continued

Round Rock Population Growth



Long-Term Financial Planning

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

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

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

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



Round Rock by the Numbers

Property Tax Information

Population	134,540
Property Tax Rate	\$ 0.3420
M&O *: 0.2385 Debt: 0.1035	
Median Home Value	\$ 363,396
Taxable Property Assessed Value	\$ 24.1B
Property Tax Per Capita	\$ 608.7

*Maintenance and Operations

Sales Tax Information

Sales Tax Rate	8.25 %
State	6.25 %
City	1.00 %
Type B	0.50 %
Property Tax Reduction	0.50 %

City Employees

Total City FTEs	1,174.85
	Certified Total
Fire	169 194
Police	200 287

Principal Employers (number of Employees)

Dell Technologies, Inc	12,000
Round Rock Independent School District	6,341
St. David's Round Rock Medical Center	1,200
City of Round Rock, Texas	1,175
Baylor Scott & White Healthcare	900
Ascension Seton Williamson	750
Kalahari Resorts & Conventions	700
Amazon Round Rock Delivery Station	650
Emerson Automation Solutions	600
Airco Mechanical	550

Principal Property Taxpayers (assessed value in millions)

Kalahari Resorts & Conventions	531.8
Dell Computer Holdings, LP	459.1
CMF 15 Portfolio, LLC (Col. Grand Apts.)	166.5
CPG Round Rock, LP (Premium Outlets)	162.8
TX Essential Housing (Lakeside at La Frontera)	151.1
Dell Computer Corp.	135.5
2811 La Frontera LP (The District La Frontera Apts)	101.5
36 Hundred Apartments LLC (Avery Centre)	100.0
Stanmore Warner Ranch Apts., LLC	99.9
TMP Parkside Project, LLC (Parkside @ RR Apts.)	95.3

Principal Hotel Taxpayers (number of rooms)

Kalahari Resorts & Conventions	975
Austin Marriott North	295
Embassy Suites	180
Hyatt Place	138
Element	123
Hilton Garden Inn	122
Homewood Suites	115
Holiday Inn Express N	109
La Quinta Palm Valley	99
Courtyard by Marriott	98





Economic Development

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

Strong Local Base

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

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

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.



Economic Development Continued

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.

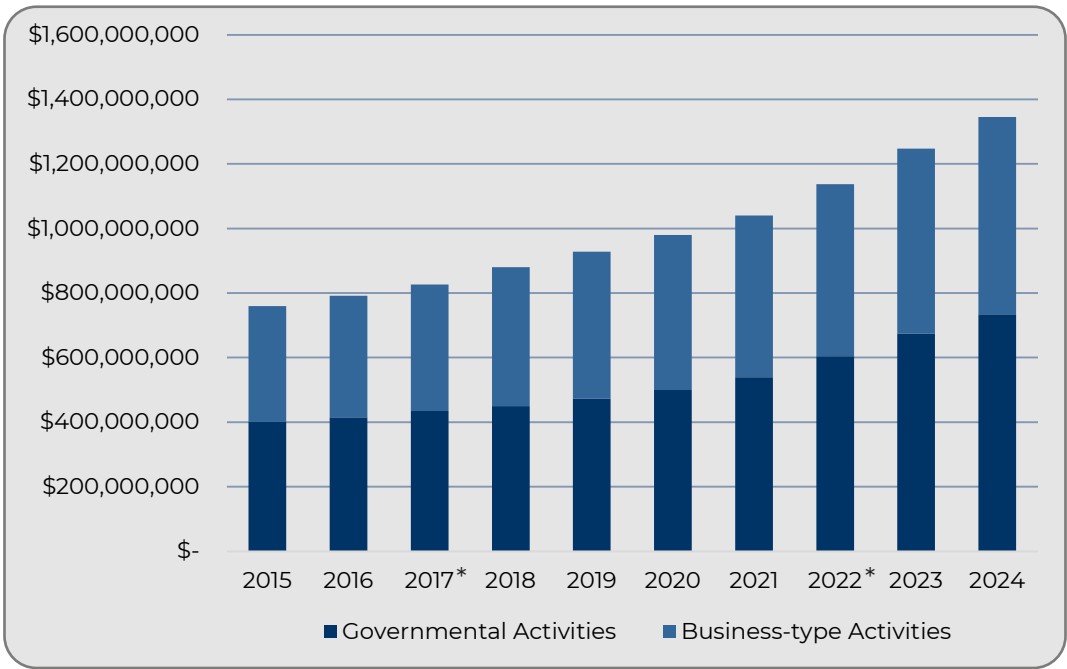




Net Position by Component

City Wide

Governmental activities make up 54.6% of the City’s net position at September 30, 2024, while business-type activities make up 45.4%. The following chart shows the financial health of the City improving year over year.



* As restated:
The City implemented GASB Statement No. 75 in 2018. As a result, net position for 2017 was restated.
The City implemented GASB Statement No. 96 in 2023. As a result, net position for 2022 was restated.

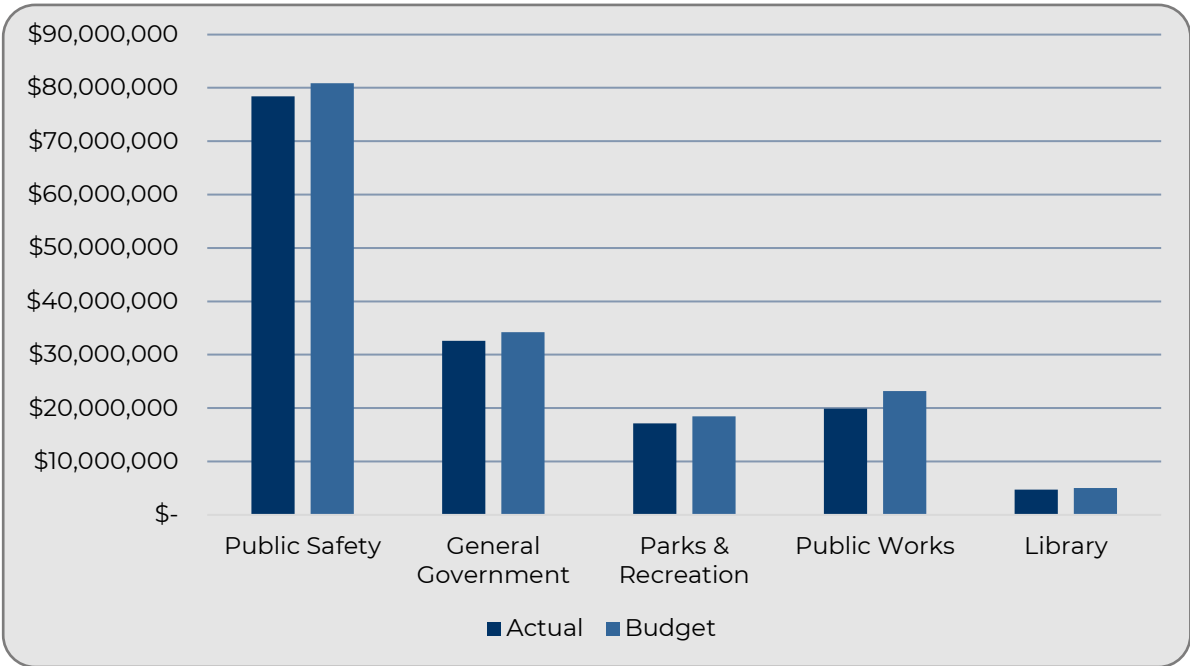
General Fund

The Financial Policy states that the City will maintain budgeted minimum reserves in the ending working capital/fund balances of its operating and debt funds to provide a secure, healthy financial base for the City in the event of a natural disaster or other emergency and to maintain or enhance its credit worthiness. In recognition of fund balance reserve best practices, the fund balance reserve in the General Fund shall be ninety (90) days or 25% of annual budgeted General Fund operating expenditures. The General Fund’s total fund balance at September 30, 2024 is \$74,200,618, or 94.2% more than the fund balance policy requirement, which is considered a very healthy General Fund.

The General Fund is the primary operating fund of the City. At the close of the current fiscal year, fund balance of the General Fund reached \$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.



City Finances- 2023-2024



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





General Fund

Balance Sheet

ASSETS

	2022	2023	2024
Cash and Cash Equivalents	\$ 6,473,185	\$ 6,900,794	\$ 17,300,165
Investments	46,956,717	60,946,923	60,665,702
Receivables (net of allowances for uncollectibles)			
Property taxes, including interest and penalties	525,259	367,048	487,743
Accounts and other	8,682,401	8,208,740	7,699,516
Accrued interest	223,872	412,341	505,472
Interfund	-	628	5,422
Grants	465,905	340,724	151,125
Inventories	286,018	331,614	321,519
Prepaid Items	99,549	26,529	84,580
Restricted Assets			
Cash and Cash Equivalents	-	1,905,987	1,033,713
Total Assets	\$ 63,712,906	\$ 79,441,328	\$ 88,254,957

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

Liabilities

Accounts payable	\$ 7,960,127	\$ 7,599,900	\$ 6,490,246
Accrued payroll	3,024,596	5,334,366	6,085,378
Interfund payables	-	-	-
Unearned revenue	3,550,082	2,440,661	990,970
Total Liabilities	14,534,805	15,374,927	13,566,594
Unavailable revenue - property taxes	525,259	367,048	487,745
Fund Balances			
Nonspendable	385,567	358,143	406,099
Unassigned	48,267,275	63,341,210	73,794,519
Total Fund Balances	48,652,842	63,699,353	74,200,618
Total Liabilities and Fund Balances	\$ 63,712,906	\$ 79,441,328	\$ 88,254,957





General Fund

Condensed Statement of Revenues, Expenditures & Changes in Fund Balance

REVENUES	2022	2023	2024
Taxes and franchise, including interest and penalties	\$ 112,789,493	\$ 123,005,330	\$ 135,160,453
Other	14,943,239	23,855,518	22,570,916
Total Revenues	127,732,732	146,860,848	157,731,369
EXPENDITURES			
Current operating	125,863,518	138,216,596	152,812,274
Total Expenditures	125,863,518	138,216,596	152,812,274
Excess (deficiency) of revenues over expenditures	1,869,214	8,644,252	4,919,095
OTHER FINANCING SOURCES (USES)			
Issuance of debt/leases/SBITA	-	-	701,304
Transfers in	6,455,000	6,905,000	7,250,300
Transfers out	(18,961,811)	(502,741)	(2,369,434)
Total other financing sources (uses)	(12,506,811)	6,402,259	5,582,170
Net changes in fund balance	(10,637,597)	15,046,511	10,501,265
Fund Balances, October 1	59,290,439	48,652,842	63,699,353
Fund Balances, September 30	\$ 48,652,842	\$ 63,699,353	\$ 74,200,618





Utility Fund

Condensed Statement of Net Position

ASSETS

Current Assets:

Cash and cash equivalents:	\$ 18,966,217	\$ 26,809,599	\$ 50,448,634
Investments	152,309,783	134,428,612	127,959,663
Receivables (net of allowance for uncollectibles)	26,313,223	27,797,719	29,766,086
Inventories	634,700	956,385	946,044
Prepaid items	467,024	469,390	471,171
Total current assets	198,690,947	190,461,705	209,591,598

Noncurrent Assets:

Restricted cash, cash equivalents, and investments	15,853,036	11,730,317	11,446,315
Restricted accounts receivable	38,496	51,072	53,797
Investment in joint venture	24,833,187	41,039,999	30,728,186

Capital Assets:

Land and construction in progress	19,048,906	33,389,170	35,499,456
Capital assets being depreciated/amortized	367,963,698	378,608,387	400,421,232
Total capital assets (net of accumulated depreciation/amortization)	387,012,604	411,997,557	435,920,688
Total noncurrent assets	427,737,323	464,818,945	478,148,986

Total assets

2022	2023	2024
\$ 626,428,270	\$ 655,280,650	\$ 687,740,584

DEFERRED OUTFLOWS OF RESOURCES ¹

Total deferred outflows of resources	6,267,775	9,210,464	7,302,564
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LIABILITIES

Current liabilities:

Total current liabilities	39,433,961	30,789,727	29,724,494
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Noncurrent liabilities:

Total noncurrent liabilities	70,663,365	72,909,715	67,395,483
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Total liabilities	110,097,326	103,699,442	97,119,977
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DEFERRED INFLOWS OF RESOURCES ²

Total deferred inflows of resources	2,540,640	484,381	747,290
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NET POSITION

Net investment in capital assets	322,168,381	350,754,284	378,432,297
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Restricted for:

Debt service	38,580	81,555	128,545
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Capital projects	13,827,480	10,346,161	10,198,279
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Unrestricted	184,023,638	199,125,291	208,416,790
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Total net position	\$ 520,058,079	\$ 560,307,291	\$ 597,175,911
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¹Deferred outflows of resources represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

²Deferred inflows of resources represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as on inflow of resources (revenue) until that time.



Utility Fund

Condensed Statement of Revenues, Expenditures & Changes in Fund Balance

OPERATING REVENUES

	2022	2023	2024
Charges for services	\$ 60,923,212	\$ 61,870,880	\$ 58,952,865
Licenses, permits, and fees	6,302,178	6,394,076	6,447,691
Total Operating Revenues	67,225,390	68,264,956	65,400,556

OPERATING EXPENSES

Personnel services	13,633,693	16,702,089	18,437,608
Contractual services	18,392,887	17,758,878	21,436,997
Supplies	1,810,064	1,806,816	1,847,540
Repair and maintenance	2,424,329	2,512,717	2,698,093
Heat, light and power	2,891,204	3,109,243	2,901,029
Depreciation and amortization	22,240,383	24,007,208	25,671,652
Total operating expenses	61,392,560	65,896,951	72,992,919
Operating income	5,832,830	2,368,005	(7,592,363)

NONOPERATING REVENUES (EXPENSES)

Investment and other revenues	90,182	7,289,303	14,432,338
Interest and fiscal charges	(2,493,552)	(2,332,128)	(2,167,670)
Total nonoperating revenues (expenses)	(2,403,370)	4,957,175	12,264,668
Income before contributions and transfers	3,429,460	7,325,180	4,672,305

CONTRIBUTIONS & TRANSFERS

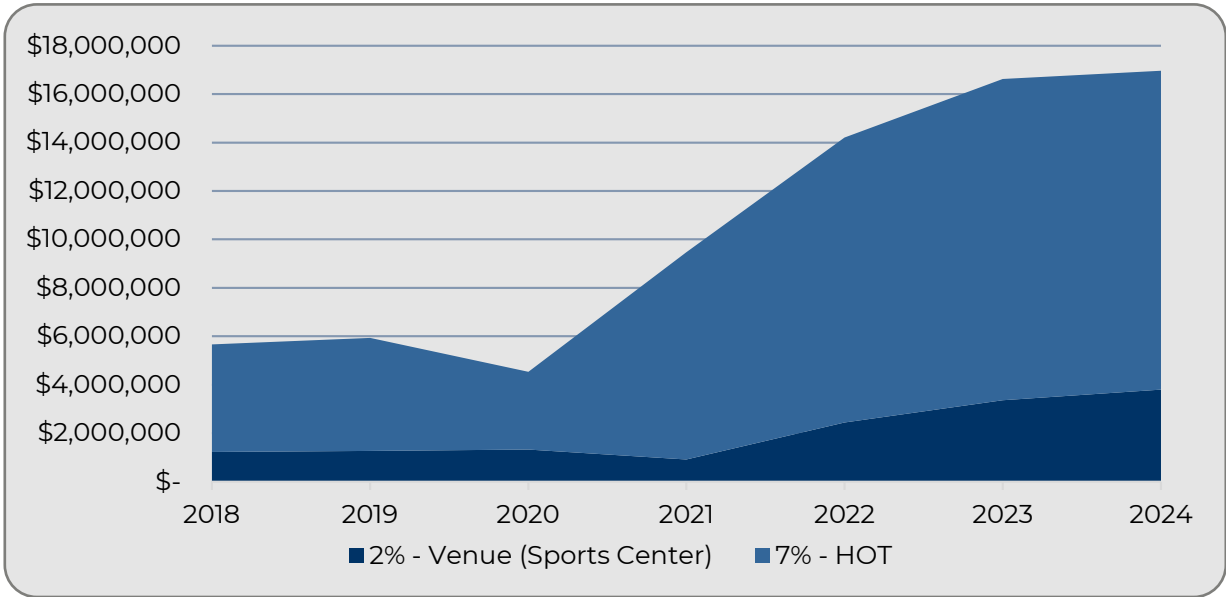
Contributions - impact fees	10,874,007	7,625,427	5,282,517
Contributions - infrastructure	18,891,783	30,099,159	32,380,745
Contributions - other	1,861,402	804,446	418,353
Transfers out	(5,355,000)	(5,605,000)	(5,885,300)
Total contributions and transfers	26,272,192	32,924,032	32,196,315
Change in net position	29,701,652	40,249,212	36,868,620
Net position, October 1	490,356,427	520,058,079	560,307,291
Net position, September 30	\$ 520,058,079	\$ 560,307,291	\$ 597,175,911

The City sets 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 on November 1, 2024. The City continues to plan ahead to ensure its utility system will serve the future citizens of Round Rock.





Hotel Occupancy and Venue Tax Report



The City had 5,046 hotel rooms at the end of fiscal year 2024 with two additional hotels planned. The largest hotel in Round Rock is Kalahari Resorts and Conventions, which features 975 rooms and resort/play options not available anywhere else in this area.



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

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

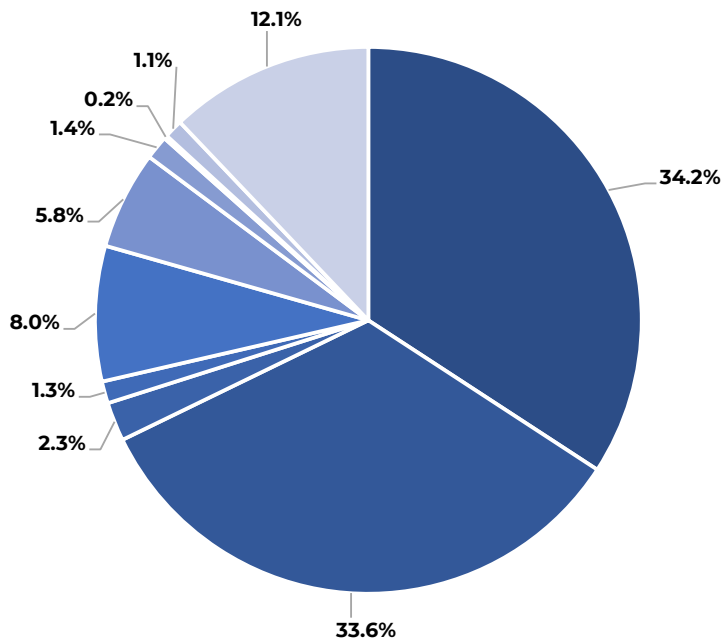
The Forest Creek Golf Club was extensively renovated in 2018 and has been nationally recognized as one of the finest public golf courses in central Texas.





Sources and Uses of Debt

Long-term Debt (in millions)



General Obligation Bonds	\$ 158.9
Certificates of Obligation	156.0
Limited Tax Notes	10.9
Hotel Tax Revenue Bonds	6.0
Sales Tax Revenue Bonds	37.1
SIB Loan	27.0
Sales Tax Liability	6.6
Leases	0.7
Subscriptions	5.3
Utility Revenue Bonds	56.2

CREDIT RATINGS

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

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

As of September 30, 2024, the City had a total outstanding bonded debt of \$464,699,916. Round Rock uses municipal bonds to strategically fund large capital infrastructure projects like new road improvements, parks, large water and wastewater treatment facilities, trails, fire stations, public safety training facilities and libraries.

During the current fiscal year, the City of Round Rock's total debt 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.

A blue-tinted photograph of a large, cylindrical water tower. The tower has a conical roof and is supported by a metal lattice structure. The words "ROUND" and "ROCK" are painted in large, bold, stylized letters on the side of the tower. The entire image has a monochromatic blue color scheme.

ROUND

ROCK