



City of Round Rock, Texas

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2025

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

Kevin Klosterboer
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 9, 2026

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, 2025, 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, 2025. 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 commercial tax base through economic expansion and diversity
- Maintain responsible financial reserves consistent with City financial policies and national standards
- Maintain and upgrade 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



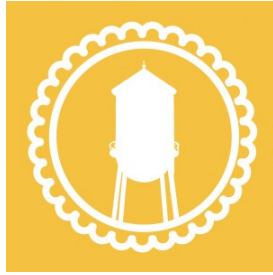
- Maintain responsible potable water used by City customers, City facilities and parks
- Invest in City infrastructure to support future community growth and economic development
- Expand water reuse throughout the City where feasible
- Improve mobility throughout the City and the region
- Upgrade and 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
- Have expanding job opportunities for residents
- Expand and maintain quality-of-life amenities for residents
- Maintain community where people prefer to live and work
- Diversify housing opportunities and ownership opportunities
- Have connecting trails, shared use path system, throughout the community

Authentic Downtown - Exciting Community Destination



- Increase public and commercial use of Brushy Creek
- Expand retail business and day-time foot traffic
- Have a quality restaurant with entertainment venues that are "family friendly"
- Expand housing opportunities: townhomes, apartments, condos
- Have a beautiful Downtown - a sense of place attracting residents and guests
- Have adequate, convenient parking

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, and streetscapes
- Have water-wise landscaping in neighborhoods

"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, and 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 2026 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 2016 to the projected population for 2026, the City of Round Rock will have experienced 10-year population growth of 36%. 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 10 by GOBankingrates.com as one of the "Most Affordable Fast-Growing Cities"
- Ranked number 10 by Livability as one of the "Best Places to Live"
- Ranked number 15 by Coworking Cafe as one of their "Top Small Cities for Economic Growth"
- Ranked number 18 by Niche as one of the "Best Cities to Raise a Family in America"
- Ranked number 26 by MoneyGeeks as one of the "Safest Cities in the USA"
- Awarded the "Leading the Way Award" for the third year in a row, by ETC Institute, an award that recognizes local governments for outstanding achievement in the delivery of services to residents

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 continues to experience robust economic growth. As the largest city in Williamson County and part of the Round Rock-Austin-San Marcos Metropolitan Statistical Area (MSA), Round Rock is integral to one of the fastest growing regions in Texas and the country. The state's strong economy, low unemployment rate, and low overall taxation continues to draw new residents and businesses into Central Texas. Round Rock will continue its strong but manageable 2.5% annual population growth into the foreseeable future. The City has a large, diverse and growing business, higher education and medical base that continues to bring new residents and businesses as highlighted in these pages.

Technology and Business

Round Rock is home to **Dell's** global headquarters and it is the largest employer in Round Rock with an estimated 10,000 employees in 2025. 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. In September 2025, Dell announced a \$25 million expansion to its Round Rock Campus which could support up to an additional 500 jobs. 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.

Tekscend Photomasks (formerly Toppan), 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. Tekscend selected Round Rock as its site for a \$200 million expansion project aimed at modernizing and growing its operations to meet the demands of the rapidly evolving global semiconductor industry. **KoMiCo**, is a semiconductor equipment parts cleaning, coating, and repair company based in Round Rock, completed a new 40,000 square-foot expansion created additional jobs.

Switch, Inc., the exascale technology infrastructure corporation, is building its 1.5 million-square-foot Fifth Prime data center campus, "The Rock," in Round Rock next to Dell. Powered entirely by renewable energy, the Tier 5® facility reflects Switch's commitment to sustainability. The company also plans to open a second nearby data center less than a mile from the current site.

Sabey Data Centers (SDC), a premier colocation data center provider, has completed the first 430,000-square-foot building on its new 40-acre Round Rock campus, offering up to 84 megawatts of power. The Texas Advanced Computing Center (TACC) at 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 US computational research. In July 2025, Sabey began work on a second building, which will add 54 megawatts, with the first phase expected online by late 2027.

On July 31, 2024, **Mars Auto** announced they will relocate their US operations from Dallas to Round Rock. Mars Auto leads the way in autonomous vehicle technology and has been the only commercial long-haul autonomous freight shipper in Korea. They are dedicated to developing safe, reliable, and efficient transportation solutions powered by artificial intelligence. Mars Auto focuses on innovation and sustainability to transform the way people and goods move around the world.

Amazon's delivery station opened in Round Rock in 2021. The 32-acre campus is comprised of three industrial buildings totaling over 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. Site work and construction have started and the facility is expected to be operational in 2026. This new facility is expected to create 200 jobs.

Kalahari Resorts and Conventions made their debut in Round Rock in November 2020 and has over 1,800 employees. The Round Rock location represents its fourth family resort and convention center. The authentically African-themed Kalahari Resorts and Convention Center features 975 guest rooms, full-service amenities, fully equipped fitness centers, on-site restaurants, 150,000 square-foot conference center, and a 223,000-square-foot indoor/outdoor water park with a recent outdoor waterpark expansion. This resort provides Round Rock with substantial property, sales and hotel occupancy tax revenues, as well as diversifying the local economy and available employment opportunities.

The **Round Rock Chamber of Commerce** has recently partnered with **gener8tor**, a nationally ranked venture capital firm and accelerator network, to launch a new program which helps local entrepreneurs excel. This program supports early-stage start ups in Greater Round Rock and helps builds a stronger community together.

The District, a \$525 million mixed-use development spanning 65.5 acres of retail, residential, office, and green space, broke ground in March 2025. Originally proposed in 2017 with a 1 million-square-foot plan, the project has expanded to at least 3 million square feet, with full buildout expected by 2039. The plan for the District is to bring shops and restaurants not already available in Round Rock, walkable and low vehicular traffic streets, multifamily high rises, townhomes, condos, and 5,000 jobs in staffing office, hospitality, restaurant and retail businesses. The first building to go vertical will be seven-story multifamily residential building with 316 units.

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 81,650 square feet with an estimated total project cost of \$52.4 million. The first phase of construction will feature completed classrooms, study areas, and lounge space on the ground floor, while the second and third floors will remain unfinished and reserved for future development. Esperanza hall is expected to be completed in July 2026.

Austin Community College continues to expand its presence in Round Rock with two new buildings and facility upgrades, following a 2022 bond approval. The expansion, which broke ground in November 2024, will support Skilled Trades, Advanced Manufacturing, and Health Sciences programs. This new addition complements the 2018 completion of a \$33 million, 45,000-square-foot expansion featuring the college's third ACCelerator with 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 cauterization, 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 \$111.5 million in sales tax revenue for fiscal year 2026, net of sales tax incentives paid to Dell, Switch, 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 \$79.5 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, 2025. This is the second of three planned increases.

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 2025, 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." Additionally, in October 2024, S&P Global upgraded Round Rock's Hotel Occupancy Tax bond rating from A+ to AA-. This rating reflects Round Rock's local economy's strength and ongoing expansion, including a growing hospitality sector.

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, 2024. This was the **thirty-ninth 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, 2024, for the thirty-second 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, 2024. 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 Chief Financial Officer, Susan Morgan, retired February 2025, after leading the City for 10 years. Prior to her retirement, City Council and City Management announced Kevin Klosterboer as the new Chief Financial Office to oversee the City's financial operations and to continue Round Rock's commitment to fiscal responsibility and strategic growth.

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,



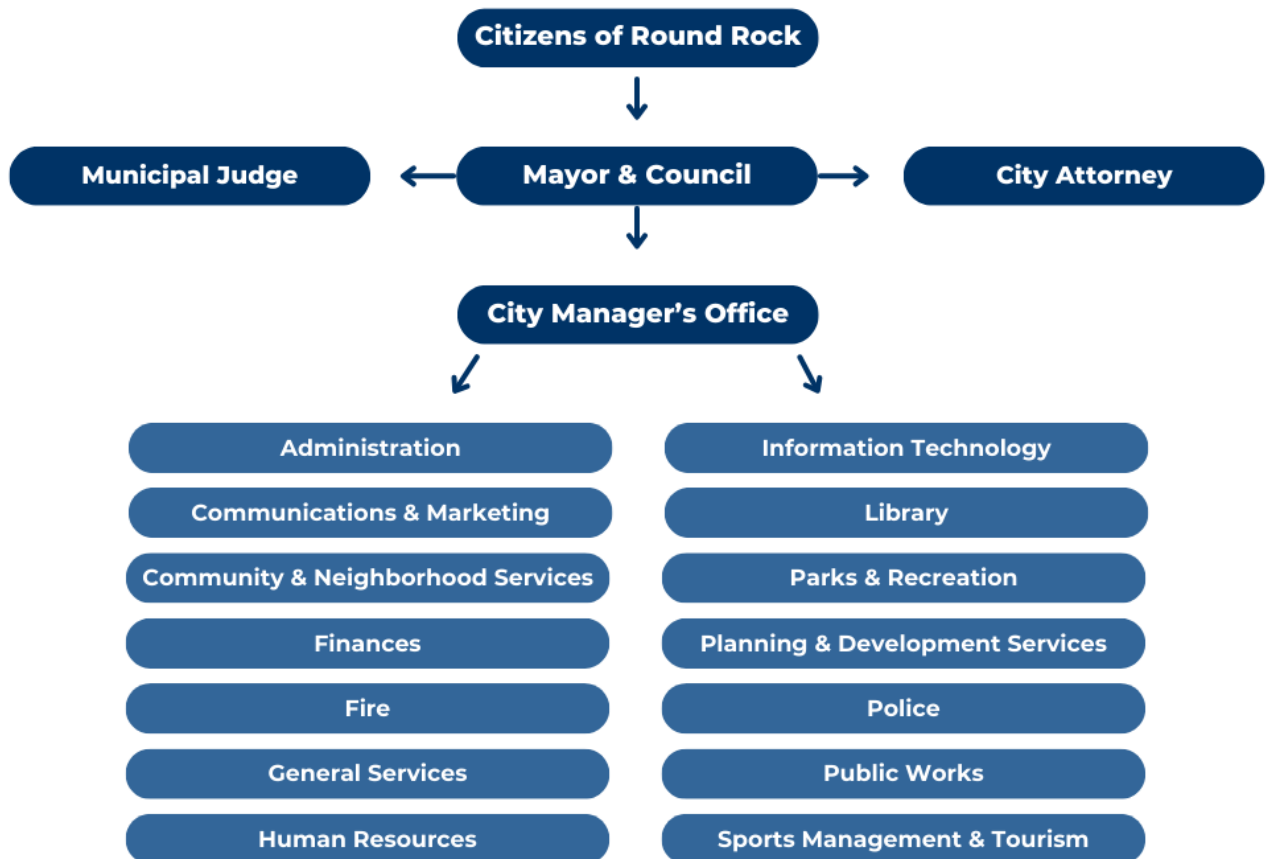
Brooks Bennett
City Manager



Kevin Klosterboer
Chief Financial Officer



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





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Round Rock
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO

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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

To the Honorable Mayor and
Members of 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, other post-employment benefits information, and budgetary comparison 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 9, 2026, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Whitley Penn LLP

Austin, Texas
February 9, 2026



CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

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, 2025. 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, 2025, by \$1,463,488,929 (*net position*). Of this amount, \$1,024,385,061 (70.0%) is invested in capital assets. Net position restricted for specific purposes totals \$165,720,148 (11.3%). The remaining amount, \$273,383,720 (18.7%) (*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 \$129,035,315. The increase can be attributed to an increase of \$136,726,092 in net investment in capital assets offset by a reduction of \$10,678,360 for a prior period restatement for a change in standards recognizing compensated absences.
- As of the close of the current fiscal year, the City of Round Rock's governmental funds reported combined ending fund balances of \$333,354,004, a decrease of \$9,386,186 in comparison to the prior year. The decrease is due to spending for planned capital projects which decreased the restricted fund balance held for authorized construction. *Unassigned fund balance* of \$73,741,726, or 22.1% 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 \$73,741,726, or 42.7% 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 \$43,134,473. The General Fund's total fund balance, \$74,508,494, is 72.7% more than the fund balance policy requirement.
- The City of Round Rock's total debt increased by \$91,849,435 during the current fiscal year. In May 2025 the City issued \$87,520,000 in voter approved general obligation debt, \$19,620,000 in certificates of obligation and \$4,775,000 in limited tax note debt offset by \$27,237,513 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.

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).

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

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 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.

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, 2025. The net income (loss) of the Internal Service Fund is allocated between governmental and business-type activities.

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

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 99 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 \$1,463,488,929 as of September 30, 2025.

The largest portion of the City's net position, \$1,024,385,061 (70.0%) 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, \$165,720,148 (11.3%) represents resources that are subject to external restriction on how they may be utilized. Restricted net position decreased \$19.3 million, or 10.4%, compared to the prior year. Restricted net position for the governmental activities decreased \$18.9 million, a result of a decrease in funds available for capital projects. The remaining balance is unrestricted net position of \$273,383,720 which may be used to meet the City's ongoing obligations to citizens and creditors.

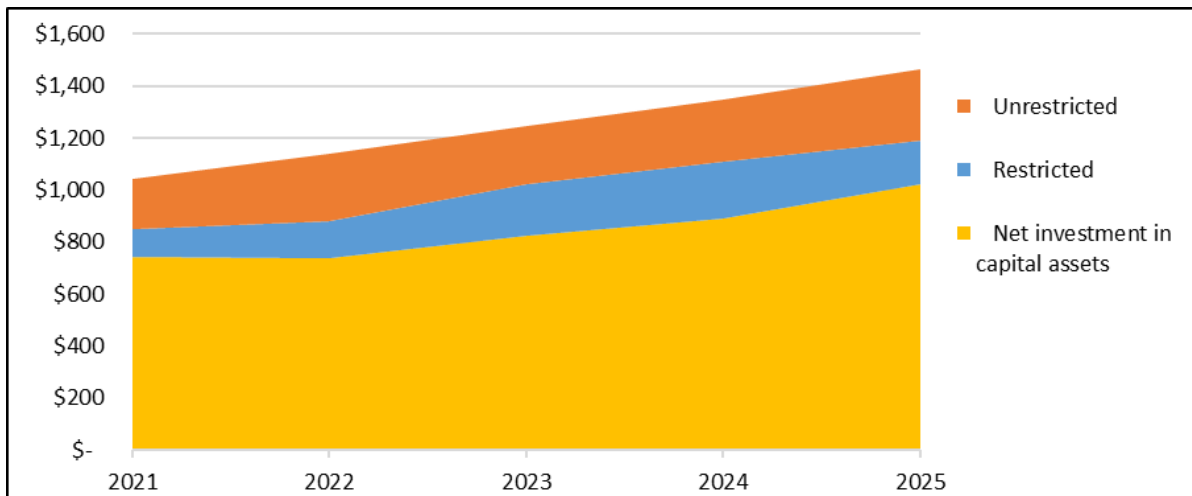
As of September 30, 2025, and 2024, the City has positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

**Net Position
(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 406,315	\$ 395,302	\$ 245,690	\$ 254,785	\$ 652,005	\$ 650,087
Capital assets	1,070,909	883,460	495,589	447,490	1,566,498	1,330,950
Total assets	1,477,223	1,278,762	741,279	702,275	2,218,503	1,981,037
Deferred outflows of resources	25,463	31,633	6,534	7,215	31,997	38,848
Current liabilities	112,099	89,376	24,455	30,379	136,554	119,755
Long term liabilities	575,200	481,182	64,320	67,743	639,520	548,925
Total liabilities	687,299	570,558	88,775	98,122	776,074	668,680
Deferred inflows of resources	8,602	5,414	1,222	660	9,824	6,074
Net position:						
Net investment in capital assets	582,858	499,732	441,527	389,534	1,024,385	889,266
Restricted	155,739	174,686	9,981	10,327	165,720	185,013
Unrestricted	67,075	60,005	206,308	210,848	273,383	270,853
Total net position	\$ 805,673	\$ 734,423	\$ 657,816	\$ 610,709	\$ 1,463,489	\$ 1,345,132

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



**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

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, 2025, with comparisons to the previous year.

	Changes in Net Position (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 15,029	\$ 13,343	\$ 78,085	\$ 69,827	\$ 93,114	\$ 83,171
Operating grants and contributions	3,635	4,045	-	2,734	3,635	6,779
Capital grants and contributions	40,276	22,421	56,711	38,165	96,987	60,586
General revenues:						
Property taxes	89,687	81,719	-	-	89,687	81,719
Franchise taxes	7,944	7,868	-	-	7,944	7,868
Sales tax	117,538	103,712	-	-	117,538	103,712
Hotel occupancy tax	16,267	16,928	-	-	16,267	16,928
Public service taxes	1,195	1,199	-	-	1,195	1,199
Investment earnings and other	31,952	36,092	5,855	11,735	37,807	47,827
Total revenues	<u>323,523</u>	<u>287,327</u>	<u>140,651</u>	<u>122,461</u>	<u>464,174</u>	<u>409,789</u>
Expenses:						
General government	54,392	48,574	-	-	54,392	48,574
Public safety	91,088	85,294	-	-	91,088	85,294
Public works	50,685	47,492	-	-	50,685	47,492
Culture and recreation	39,865	39,500	-	-	39,865	39,500
Interest on long-term debt	13,038	10,636	-	-	13,038	10,636
Issuance costs	-	731	-	-	-	731
Water and wastewater utility	-	-	81,885	75,164	81,885	75,164
Golf course	-	-	4,185	4,390	4,185	4,390
Total expenses	<u>249,068</u>	<u>232,227</u>	<u>86,070</u>	<u>79,554</u>	<u>335,138</u>	<u>311,781</u>
Increases in net position before transfers	74,455	55,099	54,581	42,907	129,036	98,008
Transfers	6,151	5,885	(6,151)	(5,885)	-	-
Increase in net position	80,606	60,984	48,430	37,022	129,036	98,008
Net position - beginning (2025 restated)	725,067	673,439	609,386	573,687	1,334,453	1,247,126
Net position - ending	<u>\$ 805,673</u>	<u>\$ 734,423</u>	<u>\$ 657,816</u>	<u>\$ 610,710</u>	<u>\$ 1,463,489</u>	<u>\$ 1,345,134</u>

Governmental Activities

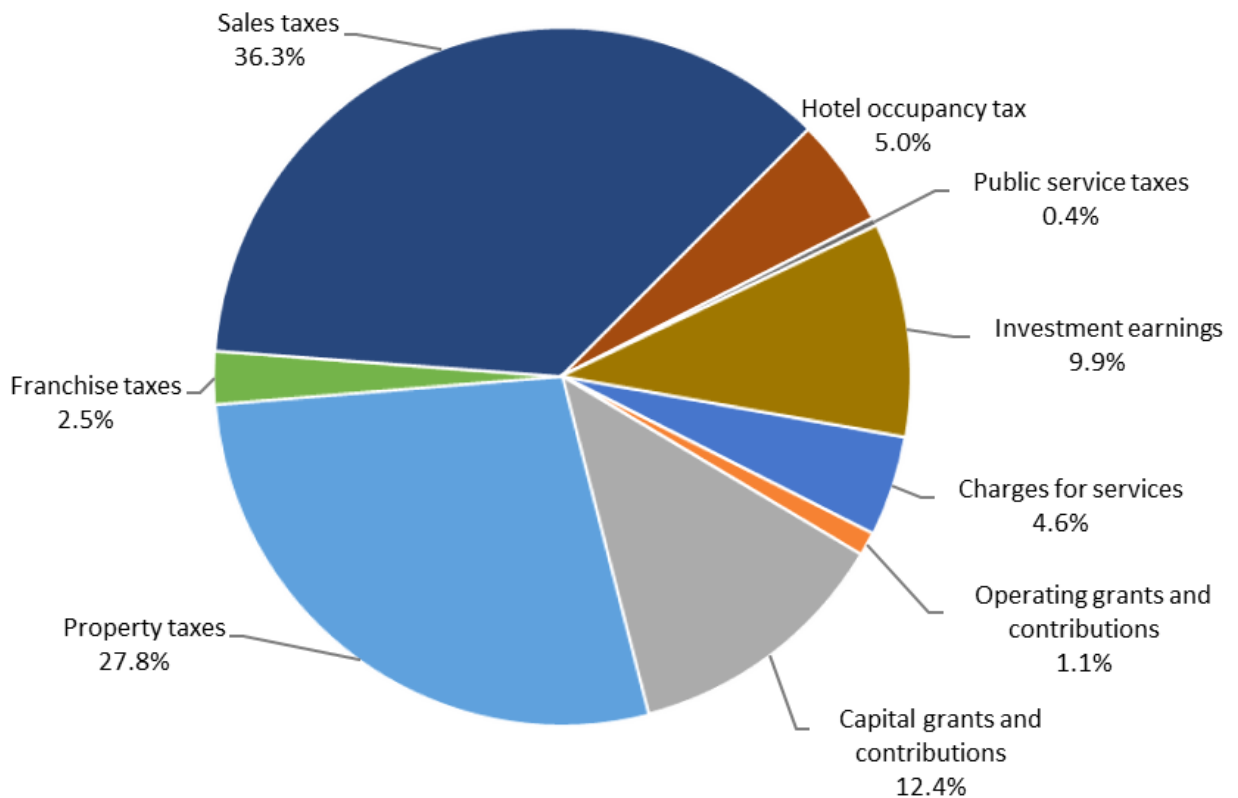
During the current fiscal year, governmental activities increased the City's net position by \$80,605,255 or 62.5% of the total increase in the net position of the City over the prior year. Key factors for the increase in net position are as follows:

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Revenues

- Amounts received for property taxes increased from last year by 9.7% due primarily to \$746 million in new taxable property and a 5.3% increase in the property tax rate. The fiscal year 2025 tax rate of \$0.36 is 8.6% above the no-new-revenue rate of \$0.331466. Property tax makes up 33.9% of total general revenues.
- Sales tax collections of \$117.5 million was a 13.3% increase compared to prior year. Dell remains one of the City's top sales taxpayers for fiscal year 2025.
- Hotel occupancy tax (HOT) revenues totaled \$16.3 million compared to \$16.9 million in the prior year, down 3.9% from the prior year. The slight decrease is due to decreases in occupancy tax revenues from several extended stay and discount hotels in the city.
- Charges for services increased \$1.7 million, or 12.6% from the prior year. The increase was due to development fees, tree replacement fees, and fire inspection fees. Development fees vary from year-to-year due to timing and 2025 saw a significant increase over 2024.
- Grants and contribution revenues increased \$17.4 million over the prior year. The increase is due to higher intergovernmental contributions towards capital projects.
- Unrestricted investment earnings and other general revenues decreased \$4.1 million. The increase can be attributed to lower balances invested as funds have been spent on planned projects under construction..

Revenues by Type - Governmental Activities



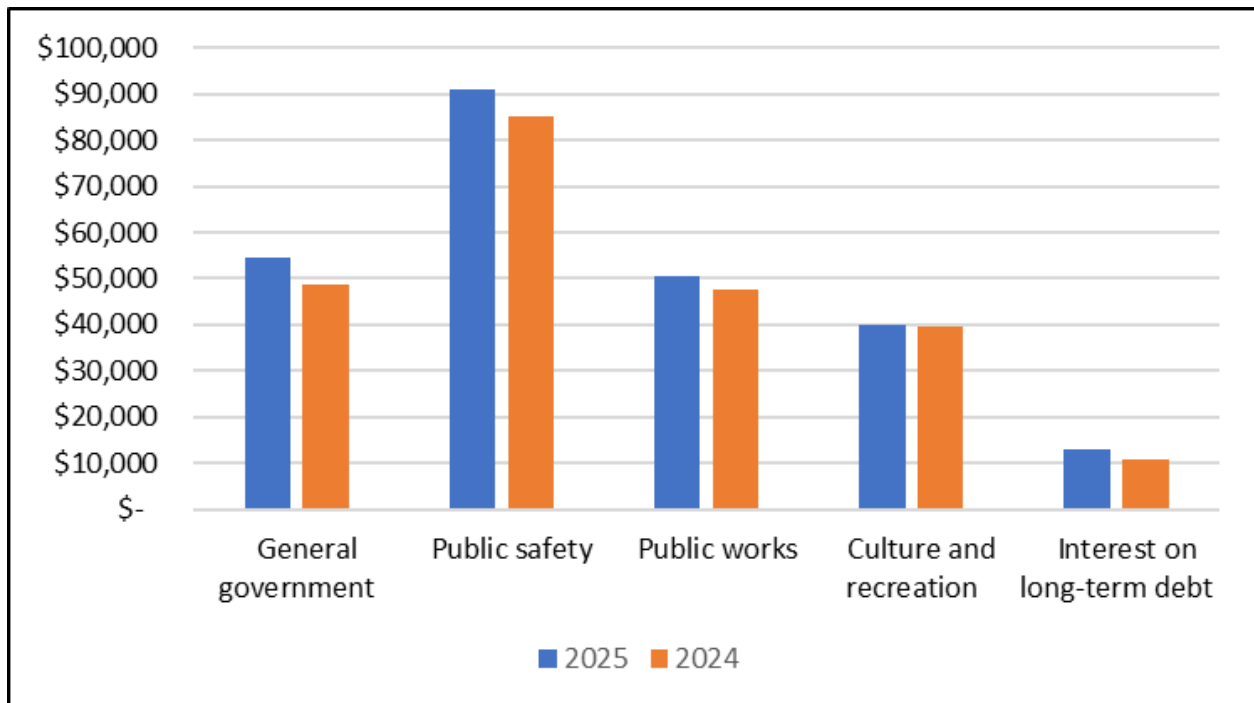
**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Expenses

Expenses for governmental activities for the City totaled \$249,068,399 for the year ended September 30, 2025. Significant factors are listed below:

- General government costs increased \$5.8 million (12.0%) from \$48.6 million in 2024 to \$54.4 million in 2025.
- Public safety program costs including police and fire department activities totaled \$91.1 million, or 36.6% of total expenses for governmental activities. Total costs increased 6.8% over the prior year, due largely to personnel costs from new public safety positions and public safety salary increases.
- Public works program costs increased \$3.2 million, or 6.7%, compared to prior year. The increase is primarily a result of increased salary expenses.
- Culture and recreation increased \$0.4 million (0.9%) from \$39.5 million in 2024 to \$39.9 million in 2025.

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



**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

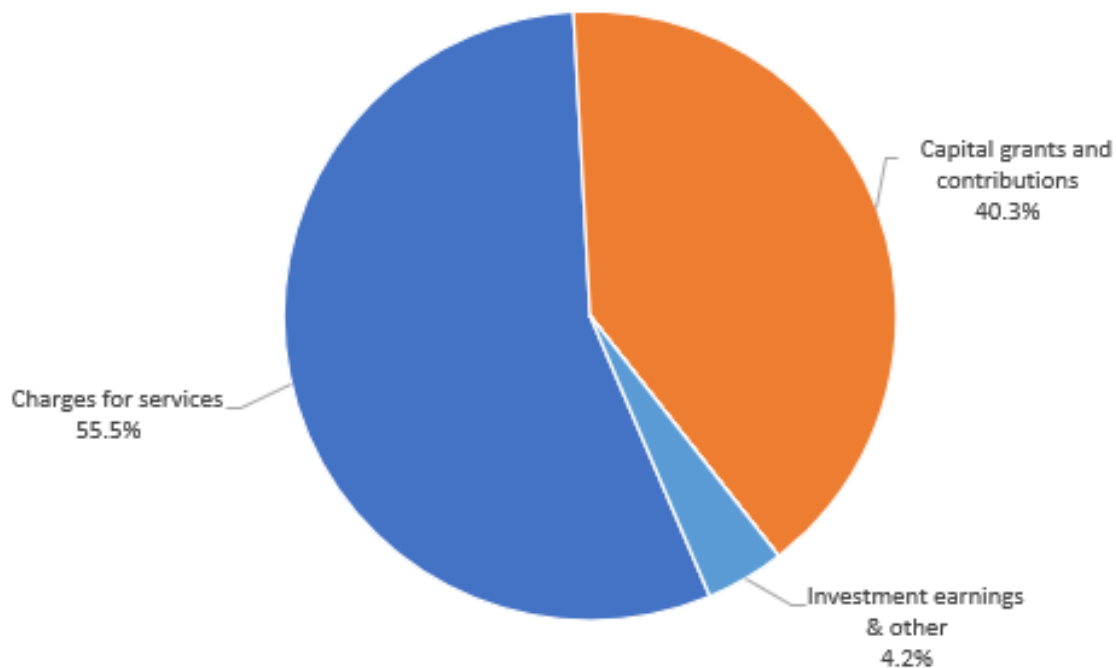
Business-Type Activities

Business-type activities increased the City's net position by \$48,430,060 or 37.5% of the total growth in the net position of the City over the prior year. This increase can be attributed to \$56.9 million in capital grants and contributions. Additionally, charges for services increased \$8.3 million, due to rate increases that went into effect in November 2024 and expenses increased by \$6.5 million over the prior year. Key factors for the increase in net position are as follows:

Revenues

Water revenues are seasonal and are impacted by weather fluctuations. Retail water, wastewater, and stormwater rate increases went into effect November 2024 which contributed to higher water revenues.

**Revenues - Business-Type Activities
Water, Wastewater and Stormwater**



**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

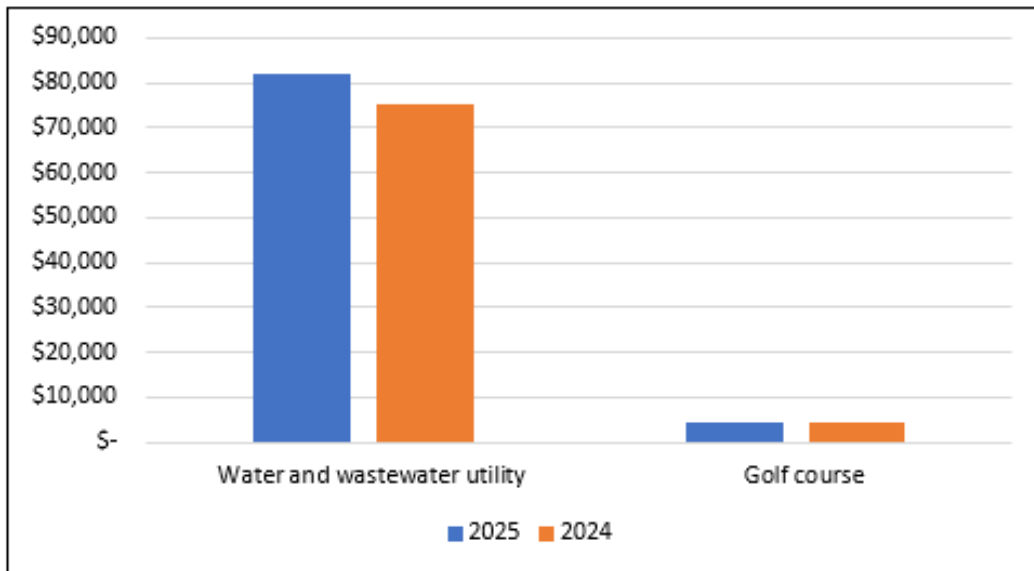
Comparative data for the past two fiscal years of the water, wastewater, and stormwater business-type activities is presented as follows:

	2025	2024
Operating revenues	\$ 73,292,662	\$ 65,400,556
Operating income (loss)	(6,032,191)	(7,592,363)
Income available for debt service	43,568,282	32,511,627
Annual debt service	5,952,331	5,948,181
Coverage	7.32	5.47

Expenses

Expenses of the business-type activities increased \$6.5 million over the prior year due to increased personnel costs related to new positions and increases to keep up with market as well as lower position vacancy rates and higher depreciation and amortization expense.

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



Financial Analysis of the Government's Funds

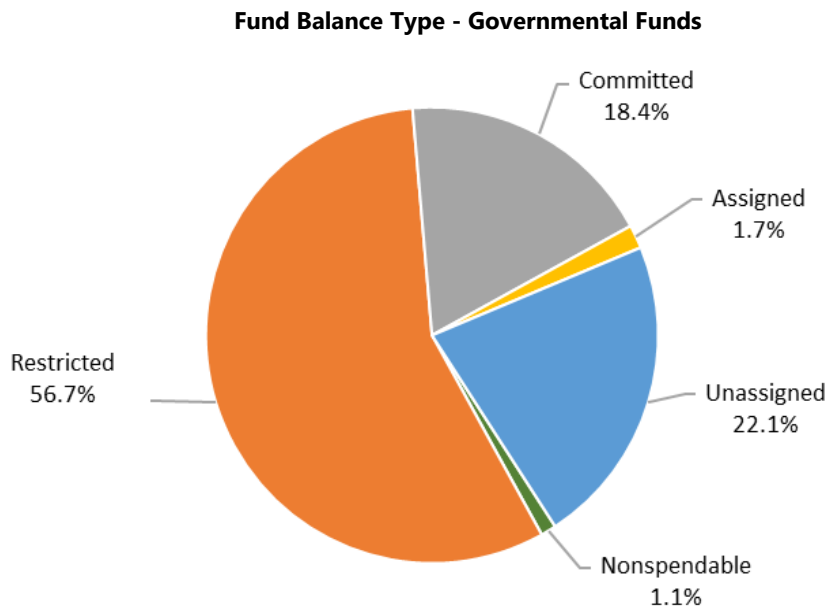
As noted earlier, the City of Round Rock uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

For the fiscal year ended September 30, 2025, the City's governmental funds reported combined ending fund balances of \$333,354,004. This is a decrease of \$9.4 million, or 2.7% from the prior year. Unassigned fund balance is \$73,741,726, or approximately 22.1% of the total fund balance amount, is available for spending at the City's discretion. \$5,551,279 is assigned to culture and recreation while \$61,417,767 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 \$4,194,434, 2) fund authorized construction of \$162,939,232, 3) other restricted purposes of \$21,828,573 or 4) non-spendable of \$3,680,993.



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 \$74,508,494, of which \$73,741,726, or 99.0% 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 42.7% of total general fund expenditures.

During the current fiscal year, the fund balance of the General Fund increased by \$307,876. The General Fund's total revenues increased \$7,459,565 and exceeded the budget by \$3,550,573 primarily from higher franchise fees, increased recreation revenues due to higher demand for programs, and higher interest income due to the City's laddered investment strategy. The increase in revenues was offset by an increase in expenditures totaling \$19,725,619, a result of new General Fund positions added in 2025; salary increases to keep up with market wages; and increases in overall operating costs.

The Debt Service Fund had a total fund balance of \$1,812,005 at the end of the fiscal year, all of which is restricted for the payment of debt service. Fund balance decreased during the year by \$3,609,851 due to debt being fully paid off. Debt service expenditure requirements increased by \$1,450,239 during the fiscal year and were adequately funded by the debt service portion of the property tax rate and other contributions.

The fund balance of the RRTEDC Fund was \$133,609,723, a decrease of \$38,076,500 compared to the prior year. The decrease can be attributed to spending on capital project expenditures, as planned projects were constructed.

The fund balance of the Debt-Financed Capital Projects Fund was \$31,451,166, an increase of \$22,021,419 compared to the prior year as debt was issued, bringing in proceeds to fund future projects.

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

The fund balance of the Self-Financed Construction Fund was \$61,072,452, an increase of \$9,260,035 compared to the prior year. Sales tax revenues contributed to the fund were \$13.8 million, up from the prior year by \$2.8 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 decreased by \$0.4 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 \$656,268,095, an increase of \$48,670,017 over the prior year. Unrestricted net position of the funds totaled \$204,760,162 at September 30, 2025. The unrestricted net position represented 31.2% of the enterprise funds' total net position.

The Water and Wastewater Fund's net position increased \$48,414,570 over the prior year primarily due to an increase in contributed infrastructure. Operating revenues totaled \$73,292,662, compared to \$65,400,556 in the prior year due to an increase in retail water and wastewater rates that went into effect in November 2024 that resulted in higher water revenues. Operating expenses were \$79,324,853, an increase of \$6,331,934 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 \$12,000,098. Operating revenues totaled \$4,675,666, a 9.8% increase for the year, compared to \$4,259,813 in the prior year. Operating expenses were \$4,597,385, which is \$208,408 higher than the previous year. Mild weather conditions in 2025 and the popularity of golf in our region 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, 2025. The budget amendment increased funding in the Police Department to increase funding related to a public safety grant awarded to the City that was offset by the resulting increase in grant 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, 2025, amounted to \$1,566,497,670 (net of accumulated depreciation/amortization). This investment includes land, 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, 2025, included the following:

Downtown Improvements

- Construction is underway on the Griffith Building Remodel and new Paseo with \$16.2 million spent to date.
- Design and land acquisition is underway on the Flats Park with \$4.7 million spent to date.
- Design is underway on the Town Green with \$415,000 spent to date.

Facility Improvements

- City facility improvements were completed at a cost of \$1.3 million.
- Information technology infrastructure upgrades were completed at a cost of \$513,000.

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

- Design is underway on the Bob Bennett Complex Expansion with \$4.6 million spent to date.
- Design is underway on the Clay Madsen Recreation Center Expansion and Renovation with \$1.5 million spent to date.
- Construction is complete on the new Fire Station #1 at a cost of \$9.6 million.
- Construction is underway on Fire Station #10 with \$2.2 million spent to date.
- Design is underway on Fire Station #11 with 214,000 spent to date.
- Design is underway on the Public Safety Training Center Driving Track and Classroom Expansion with \$1.7 million spent to date.
- Construction is underway on the Sports Center Expansion with \$18.8 million spent to date.
- Construction is complete on the Dell Diamond Renovation & Expansion at a cost of \$5.4 million.
- Design is under on the Multipurpose Sports Complex Expansion with \$3.1 million spent to date.

Park Improvements and Trails

- Construction is underway on multiple Old Settlers Park Improvements projects with \$44.6 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.
- Construction is underway on improvements to Old Settlers Park's main roadway, Harrell Parkway, with \$20.7 million spent to date.
- Construction of Heritage Trail West was completed at a cost of \$24.4 million.
- Expansion of other citywide trails is underway with \$7.7 million spent to date.
- Additional park and facility improvements were completed at a cost of \$539,000.

Transportation Improvements

- Major arterial, signal, and road projects for transportation are underway and at various stages of completion. Completed projects totaled \$32.2 million while construction in progress at year-end approximated \$100.2 million.
- Various neighborhood street improvement projects were completed at a cost of \$6.2 million.
- Developers contributed \$21.5 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 \$10.5 million and similar projects were in progress with \$50.8 million spent to date.
- Various additional stormwater improvement projects are in process with \$3.2 million spent to date.
- Developers contributed \$34.2 million for water, wastewater, and stormwater system infrastructure improvements.

**Capital Assets
(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 138,158	\$ 136,538	\$ 13,315	\$ 9,523	\$ 151,473	\$ 146,061
Buildings and improvements	1,249,358	1,151,007	748,797	703,555	1,998,155	1,854,562
Machinery and equipment	118,933	111,299	22,628	21,819	141,561	133,118
Right-to-use lease equipment	4,404	773	702	496	5,106	1,269
Right-to-use subscription assets	15,781	9,365	-	-	15,781	9,365
Accumulated depreciation/amortization	(683,649)	(639,119)	(345,859)	(318,184)	(1,029,508)	(957,303)
Construction in progress	227,924	113,597	56,006	30,281	283,930	143,878
Total	<u>\$ 1,070,909</u>	<u>\$ 883,460</u>	<u>\$ 495,589</u>	<u>\$ 447,490</u>	<u>\$ 1,566,498</u>	<u>\$ 1,330,950</u>

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

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Long-Term Debt

At the end of the current fiscal year, the City of Round Rock had total debt outstanding of \$554,573,029. Of this amount, \$434,858,029 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 \$91,849,435. Regularly scheduled debt principal was retired during 2025. The City also issued \$87,520,000 in general obligation bonds, series 2025; \$19,620,000 in certificates of obligation bonds, series 2025; and \$4,775,000 in limited tax notes, series 2025. Details of the new bond issues can be found in Note IV (F) to the financial statements.

**Long-Term Financing
(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 237,350	\$ 158,870	\$ -	\$ -	\$ 237,350	\$ 158,870
Certificates of obligation	168,580	155,955	-	-	168,580	155,955
Limited tax notes	12,730	10,885	-	-	12,730	10,885
Hotel tax revenue bonds	5,335	6,040	-	-	5,335	6,040
Sales tax revenue bonds	35,065	37,065	-	-	35,065	37,065
State infrastructure bank loan	27,000	27,000	-	-	27,000	27,000
Excess sales tax liability	4,187	6,624	-	-	4,187	6,624
Leases	2,902	298	503	467	3,405	765
Subscriptions	8,607	5,321	-	-	8,607	5,321
Water and wastewater revenue bonds	-	-	52,315	56,175	52,315	56,175
Total	<u>\$ 501,756</u>	<u>\$ 408,058</u>	<u>\$ 52,818</u>	<u>\$ 56,642</u>	<u>\$ 554,574</u>	<u>\$ 464,700</u>

See Note IV (F) for long-term debt

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 authorized by the Texas Constitution which 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 \$5.2 billion of bonds. Of the maximum tax rate for debt service of \$1.50, the City uses \$0.115243, or 7.7%. Of \$90,575,785 levied in property taxes for the fiscal year ended September 30, 2025, 99.68% 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 2026 budget adopted by the City Council adheres to the City's financial policies and preserves

**CITY OF ROUND ROCK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

the City's strong financial position while providing excellent levels of service. During the creation of the 2026 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

Revenue assumptions, in general for fiscal year 2026, have been built based on a steady, stable economy.

The City's economy is expected to generate approximately \$111.5 million in sales tax revenue for fiscal year 2026. This amount includes the 0.5%, or \$32.0 million, in additional sales and use tax for roads and economic development. The remaining 1.5% is projected to generate \$79.5 million for general operations, property tax reduction, and capital projects.

The fiscal year 2026 (tax year 2025), certified taxable property value for Round Rock is \$26.7 billion, an increase of 5.5% from last year's \$25.3 billion. The adopted property tax rate for fiscal year 2026 is \$0.372 per \$100 of valuation. The tax rate is an increase of 2.4 cents over the no-new-revenue rate of \$0.348065, and below the voter approval rate of \$0.372075. The 2.4 cent increase over the no-new-revenue tax rate allows the City to provide funding for debt payments for general obligation bonds issued in 2025 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 \$0.372, 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.

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%) and wastewater (2%) budgeted for fiscal year 2026.

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, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 49,298,962	\$ 53,984,178	\$ 103,283,140
Investments	114,412,464	114,819,564	229,232,028
Receivables (net of allowance for uncollectibles)-			
Property taxes	451,964	-	451,964
Accounts and other	9,132,051	13,132,171	22,264,222
Accrued interest	645,683	682,121	1,327,804
Intergovernmental	-	3,149,746	3,149,746
Grants	126,777	463,549	590,326
Internal balances	(1,112,373)	1,112,373	-
Inventories	1,162,568	2,233,543	3,396,111
Prepaid items	3,025,437	788,237	3,813,674
Restricted assets -			
Cash and cash equivalents	93,783,928	4,281,510	98,065,438
Investments	111,489,170	6,819,248	118,308,418
Property tax receivable	258,650	-	258,650
Accounts and other	2,429,698	-	2,429,698
Accrued interest	18,347,159	38,512	18,385,671
Notes receivable	1,750,000	6,800,000	8,550,000
Investment in joint venture	-	37,385,598	37,385,598
Capital assets -			
Land and construction in progress	366,081,094	69,320,456	435,401,550
Capital assets, net of accumulated depreciation/amortization	704,827,719	426,268,401	1,131,096,120
Total assets	1,476,110,951	741,279,207	2,217,390,158
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on refundings	-	2,908,467	2,908,467
Deferred outflows related to pensions	23,438,239	3,336,938	26,775,177
Deferred outflows related to OPEB	2,024,487	288,229	2,312,716
Total deferred outflows of resources	25,462,726	6,533,634	31,996,360

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

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 42,229,323	\$ 12,903,074	\$ 55,132,397
Accrued payroll	7,059,208	1,038,720	8,097,928
Unearned revenue	18,949,561	3,571,541	22,521,102
Accrued interest payable	2,941,797	318,159	3,259,956
Customer deposits	-	1,182,070	1,182,070
Due within one year			
Net pension liability	2,736,880	389,654	3,126,534
Total OPEB liability	907,923	129,262	1,037,185
Bonds, notes, leases, compensated absences	37,274,662	4,921,712	42,196,374
Due in more than one year			
Net pension liability	52,000,722	7,403,423	59,404,145
Total OPEB liability	17,250,532	2,455,986	19,706,518
Bonds, notes, leases, compensated absences	505,949,100	54,461,029	560,410,129
Total liabilities	<u>687,299,708</u>	<u>88,774,630</u>	<u>776,074,338</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on refundings	20,307	-	20,307
Deferred inflows related to pensions	4,604,103	655,494	5,259,597
Deferred inflows related to OPEB	<u>3,977,120</u>	<u>566,227</u>	<u>4,543,347</u>
Total deferred inflows of resources	<u>8,601,530</u>	<u>1,221,721</u>	<u>9,823,251</u>
NET POSITION			
Net investment in capital assets	582,858,078	441,526,983	1,024,385,061
Restricted for -			
Debt service	4,194,434	185,764	4,380,198
Capital projects	129,716,191	9,795,186	139,511,377
Hotel-motel tax	18,899,887	-	18,899,887
Public safety	1,225,291	-	1,225,291
General government	1,703,395	-	1,703,395
Unrestricted	<u>67,075,163</u>	<u>206,308,557</u>	<u>273,383,720</u>
Total net position	<u>\$ 805,672,439</u>	<u>\$ 657,816,490</u>	<u>\$ 1,463,488,929</u>

**CITY OF ROUND ROCK, TEXAS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 54,391,829	\$ 3,581,349	\$ 3,608,076	\$ -
Public safety	91,088,679	2,000,227	24,000	-
Public works	50,684,509	1,437,410	-	39,497,591
Culture and recreation	39,865,413	8,009,697	2,752	778,366
Interest on long-term debt	13,037,969	-	-	-
Total governmental activities	249,068,399	15,028,683	3,634,828	40,275,957
Business-type activities:				
Water and wastewater utility	81,884,591	73,409,151	-	56,527,832
Golf course	4,184,836	4,675,666	-	183,216
Total business-type activities	86,069,427	78,084,817	-	56,711,048
Total primary government	\$ 335,137,826	\$ 93,113,500	\$ 3,634,828	\$ 96,987,005

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

Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Governmental activities:			
General government	\$ (47,202,404)	\$ -	\$ (47,202,404)
Public safety	(89,064,452)	-	(89,064,452)
Public works	(9,749,508)	-	(9,749,508)
Culture and recreation	(31,074,598)	-	(31,074,598)
Interest on long-term debt	(13,037,969)	-	(13,037,969)
Total governmental activities	(190,128,931)	-	(190,128,931)
Business-type activities:			
Water and wastewater utility	-	48,052,392	48,052,392
Golf course	-	674,046	674,046
Total business-type activities	-	48,726,438	48,726,438
Total primary government	(190,128,931)	48,726,438	(141,402,493)
General revenues:			
Taxes:			
Property taxes, levied for general purpose	63,451,938	-	63,451,938
Property taxes, levied for debt service	26,234,746	-	26,234,746
Franchise taxes	7,944,027	-	7,944,027
Sales taxes	117,537,885	-	117,537,885
Hotel occupancy tax	16,267,328	-	16,267,328
Public service taxes	1,195,340	-	1,195,340
Unrestricted investment earnings and other	31,951,622	5,854,922	37,806,544
Transfers	6,151,300	(6,151,300)	-
Total general revenues and transfers	270,734,186	(296,378)	270,437,808
Change in net position	80,605,255	48,430,060	129,035,315
Net position-beginning	734,423,060	610,708,914	1,345,131,974
Restatement	(9,355,876)	(1,322,484)	(10,678,360)
Net position-beginning, as restated	725,067,184	609,386,430	1,334,453,614
Net position-ending	\$ 805,672,439	\$ 657,816,490	\$ 1,463,488,929

CITY OF ROUND ROCK, TEXAS
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	Round Rock Transportation and Economic Development Corporation Fund
ASSETS			
Cash and cash equivalents	\$ 23,491,741	\$ -	\$ -
Investments	54,504,381	-	-
Receivables (net of allowance for uncollectibles) -			
Property taxes, including interest and penalties	451,964	-	-
Accounts and other	9,507,636	-	-
Interfund	-	5,497	-
Grants	86,867	-	-
Inventories	485,861	-	-
Prepaid items	280,907	-	-
Restricted assets -			
Cash and cash equivalents	-	1,807,905	42,747,100
Investments	-	-	89,084,489
Receivables -			
Property taxes, including interest and penalties	-	258,650	-
Sales tax	-	-	2,429,698
Restricted accounts and other	-	-	17,110,748
Notes receivable	-	-	1,750,000
Total assets	<u>\$ 88,809,357</u>	<u>\$ 2,072,052</u>	<u>\$ 153,122,035</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities -			
Accounts payable	\$ 6,669,510	\$ -	\$ 19,298,694
Accrued payroll	6,857,812	-	-
Interfund payables	5,497	-	-
Unearned revenue	316,080	-	213,618
Total liabilities	<u>13,848,899</u>	<u>-</u>	<u>19,512,312</u>
Deferred inflows of resources -			
Unavailable revenue - property taxes	451,964	260,047	-
Total deferred inflows of resources	<u>451,964</u>	<u>260,047</u>	<u>-</u>
Fund balances -			
Nonspendable	766,768	-	-
Restricted - debt service	-	1,812,005	2,382,429
Restricted - authorized construction	-	-	131,227,294
Restricted - hotel-motel tax	-	-	-
Restricted - public safety	-	-	-
Restricted - general government	-	-	-
Committed - capital projects funds	-	-	-
Assigned - culture and recreation	-	-	-
Unassigned	73,741,726	-	-
Total fund balances	<u>74,508,494</u>	<u>1,812,005</u>	<u>133,609,723</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 88,809,357</u>	<u>\$ 2,072,052</u>	<u>\$ 153,122,035</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
\$ -	\$ 19,663,339	\$ -	\$ 2,599,787	\$ 45,754,867
-	45,648,516	-	6,031,936	106,184,833
-	-	-	-	451,964
-	190,507	-	35,629	9,733,772
-	436,022	-	-	441,519
-	16,047	-	23,863	126,777
676,707	-	-	-	1,162,568
1,636,412	567,130	-	33,976	2,518,425
38,573,094	-	3,144,612	7,511,217	93,783,928
-	-	7,300,230	15,104,451	111,489,170
-	-	-	-	258,650
-	-	-	-	2,429,698
-	-	41,270	1,195,141	18,347,159
-	-	-	-	1,750,000
<u>\$ 40,886,213</u>	<u>\$ 66,521,561</u>	<u>\$ 10,486,112</u>	<u>\$ 32,536,000</u>	<u>\$ 394,433,330</u>
\$ 9,435,047	\$ 5,449,109	\$ -	\$ 301,393	\$ 41,153,753
-	-	-	200,692	7,058,504
-	-	-	-	5,497
-	-	9,512,511	2,107,352	12,149,561
<u>9,435,047</u>	<u>5,449,109</u>	<u>9,512,511</u>	<u>2,609,437</u>	<u>60,367,315</u>
-	-	-	-	712,011
-	-	-	-	712,011
2,313,119	567,130	-	33,976	3,680,993
-	-	-	-	4,194,434
29,138,047	-	973,601	1,600,290	162,939,232
-	-	-	18,899,887	18,899,887
-	-	-	1,225,291	1,225,291
-	-	-	1,703,395	1,703,395
-	60,505,322	-	912,445	61,417,767
-	-	-	5,551,279	5,551,279
-	-	-	-	73,741,726
<u>31,451,166</u>	<u>61,072,452</u>	<u>973,601</u>	<u>29,926,563</u>	<u>333,354,004</u>
<u>\$ 40,886,213</u>	<u>\$ 66,521,561</u>	<u>\$ 10,486,112</u>	<u>\$ 32,536,000</u>	<u>\$ 394,433,330</u>

CITY OF ROUND ROCK, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total Fund Balances - Governmental Funds \$ 333,354,004

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	\$	138,157,534	
Construction in progress		227,923,560	
Building and improvements		1,249,358,764	
Equipment and right-to-use assets		139,117,817	
Accumulated depreciation/amortization		<u>(683,648,862)</u>	
Total capital assets	\$	<u>1,070,908,813</u>	1,070,908,813

Deferred amounts on refundings are deferred outflows of resources and, therefore, are not reported in the funds. (20,307)

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	\$	23,438,239	
Deferred outflows - OPEB related		2,024,487	
Deferred inflows - pension related		(4,604,103)	
Deferred inflows - OPEB related		<u>(3,977,120)</u>	
	\$	<u>16,881,503</u>	16,881,503

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. 712,011

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. 9,698,734

Unearned revenue associated with long-term economic development agreements are not a current financial resource and, therefore, are not reported in the funds. (6,800,000)

Accrued interest payable in the governmental funds are not recognized because they are not paid within the prescribed time period after year end. (2,941,797)

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). (616,120,522)

Net Position of Governmental Activities \$ 805,672,439

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, 2025**

	General Fund	Debt Service Fund	Round Rock Transportation and Economic Development Corporation Fund
Revenues -			
Taxes and franchise, including interest and penalties	\$ 141,852,591	\$ 26,249,446	\$ 31,910,026
Licenses, permits and fees	3,114,238	-	-
Charges for services	6,148,801	-	-
Fines and forfeitures	1,246,705	-	-
Intergovernmental	3,131,025	-	-
Hotel occupancy tax	-	-	-
Contributions	-	-	17,982,356
Investment and other	9,697,574	754,827	7,599,942
Total revenues	<u>165,190,934</u>	<u>27,004,273</u>	<u>57,492,324</u>
Expenditures -			
Current -			
General government	34,339,295	-	4,842,909
Public safety	92,869,524	-	-
Public works	22,427,987	-	551,728
Culture and recreation	22,901,087	-	-
Debt service -			
Principal retirement	-	21,670,000	-
Interest and fiscal charges	-	12,895,559	-
Issuance costs	-	-	-
Capital projects	-	-	108,435,355
Total expenditures	<u>172,537,893</u>	<u>34,565,559</u>	<u>113,829,992</u>
Excess (deficiency) of revenues over expenditures	<u>(7,346,959)</u>	<u>(7,561,286)</u>	<u>(56,337,668)</u>
Other financing sources (uses) -			
Issuance of debt/leases/SBITA	10,482,035	-	-
Issuance of premium	-	-	-
Transfers in	7,954,300	6,882,124	26,338,854
Transfers out	(10,781,500)	(2,930,689)	(8,077,686)
Total other financing sources (uses)	<u>7,654,835</u>	<u>3,951,435</u>	<u>18,261,168</u>
Net change in fund balances	<u>307,876</u>	<u>(3,609,851)</u>	<u>(38,076,500)</u>
Fund balances, October 1, 2024	<u>74,200,618</u>	<u>5,421,856</u>	<u>171,686,223</u>
Fund balances, September 30, 2025	<u><u>\$ 74,508,494</u></u>	<u><u>\$ 1,812,005</u></u>	<u><u>\$ 133,609,723</u></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
\$ -	\$ 13,841,819	\$ -	\$ 122,495	\$ 213,976,377
-	-	-	821,513	3,935,751
-	-	-	3,423,701	9,572,502
-	-	-	273,725	1,520,430
-	776,440	-	10,061,138	13,968,603
-	-	-	16,250,961	16,250,961
-	-	-	4,678	17,987,034
2,056,488	1,964,602	352,906	1,429,116	23,855,455
2,056,488	16,582,861	352,906	32,387,327	301,067,113
-	616,272	-	378,580	40,177,056
-	1,423,663	-	56,675	94,349,862
-	53,343	-	-	23,033,058
-	112,250	-	18,792,285	41,805,622
-	-	-	-	21,670,000
362,944	-	-	-	13,258,503
514,947	-	-	-	514,947
70,658,151	26,581,692	-	2,489,461	208,164,659
71,536,042	28,787,220	-	21,717,001	442,973,707
(69,479,554)	(12,204,359)	352,906	10,670,326	(141,906,594)
111,915,000	-	-	-	122,397,035
3,972,073	-	-	-	3,972,073
-	21,464,394	-	1,652,935	64,292,607
(24,386,100)	-	-	(11,965,332)	(58,141,307)
91,500,973	21,464,394	-	(10,312,397)	132,520,408
22,021,419	9,260,035	352,906	357,929	(9,386,186)
9,429,747	51,812,417	620,695	29,568,634	342,740,190
\$ 31,451,166	\$ 61,072,452	\$ 973,601	\$ 29,926,563	\$ 333,354,004

**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, 2025**

Net Change in Fund Balances-Total Governmental Funds	\$ (9,386,186)
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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).	169,870,612
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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).	17,578,249
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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.	(50,461)
---	----------

The issuance of long-term debt (i.e. bonds) 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).	(90,226,961)
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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.	(10,482,035)
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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.	4,591,921
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Unearned revenue related to Kalahari project land acquisition was partially released for land rights transferred back to the City's business-type activities. The transaction is not a current financial resource and is not reported in the governmental funds.	3,792,029
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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	(3,340,803)
OPEB costs, net	421,969
Interest and employee expense	(860,482)

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.	(1,302,597)
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Change in Net Position of Governmental Activities	\$ 80,605,255
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The accompanying notes are an integral part of this financial statement.



**CITY OF ROUND ROCK, TEXAS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

	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	\$ 53,372,976	\$ 611,202	\$ 53,984,178	\$ 3,544,096
Investments	114,211,427	608,137	114,819,564	8,227,631
Receivables (net of allowance for uncollectibles of \$1,458,807) -				
Accounts and other	13,086,408	45,763	13,132,171	-
Accrued interest	680,005	2,116	682,121	43,962
Intergovernmental	3,149,746	-	3,149,746	-
Grants	463,549	-	463,549	-
Inventories	2,233,543	-	2,233,543	-
Prepaid items	603,623	184,614	788,237	507,012
Total current assets	187,801,277	1,451,832	189,253,109	12,322,701
Noncurrent assets:				
Restricted cash, cash equivalents, and investments:				
Impact fees	1,915,509	-	1,915,509	-
Construction	7,841,165	-	7,841,165	-
Customer deposits	1,158,320	-	1,158,320	-
Revenue bond covenant accounts	185,764	-	185,764	-
Restricted accrued interest	38,512	-	38,512	-
Notes receivable	6,800,000	-	6,800,000	-
Investment in joint venture	37,385,598	-	37,385,598	-
Capital assets:				
Land and construction in progress	65,016,142	4,304,314	69,320,456	-
Capital assets being depreciated/amortized	418,766,314	7,502,087	426,268,401	-
Total capital assets (net of accumulated depreciation/amortization of \$345,858,960)	483,782,456	11,806,401	495,588,857	-
Total noncurrent assets	539,107,324	11,806,401	550,913,725	-
Total assets	726,908,601	13,258,233	740,166,834	12,322,701
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on refundings	2,908,467	-	2,908,467	-
Deferred outflows related to pensions	3,336,938	-	3,336,938	-
Deferred outflows related to OPEB	288,229	-	288,229	-
Total deferred outflows of resources	6,533,634	-	6,533,634	-

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

**CITY OF ROUND ROCK, TEXAS
PROPRIETARY FUNDS (CONTINUED)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Wastewater Fund	Golf Course Fund	Total	Internal Service Fund
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 12,805,840	\$ 97,234	\$ 12,903,074	\$ 1,075,572
Accrued payroll	984,358	54,362	1,038,720	-
Accrued compensated absences	371,288	-	371,288	-
Unearned revenue	3,404,018	167,523	3,571,541	-
Accrued interest	318,159	-	318,159	-
Customer deposits	1,182,070	-	1,182,070	-
Interfund payable	-	436,022	436,022	-
Lease payable	-	174,016	174,016	-
Net pension liability	389,654	-	389,654	-
Total OPEB liability	129,262	-	129,262	-
Bonds payable	4,376,408	-	4,376,408	-
Total current liabilities	<u>23,961,057</u>	<u>929,157</u>	<u>24,890,214</u>	<u>1,075,572</u>
Noncurrent liabilities:				
Net pension liability	7,403,423	-	7,403,423	-
Total OPEB liability	2,455,986	-	2,455,986	-
Noncurrent accrued compensated absences	2,041,112	-	2,041,112	-
Lease payable	-	328,978	328,978	-
Bonds payable	52,090,939	-	52,090,939	-
Total noncurrent liabilities	<u>63,991,460</u>	<u>328,978</u>	<u>64,320,438</u>	<u>-</u>
Total liabilities	<u>87,952,517</u>	<u>1,258,135</u>	<u>89,210,652</u>	<u>1,075,572</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	655,494	-	655,494	-
Deferred inflows related to OPEB	566,227	-	566,227	-
Total deferred inflows of resources	<u>1,221,721</u>	<u>-</u>	<u>1,221,721</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	430,223,576	11,303,407	441,526,983	-
Restricted for:				
Debt service	185,764	-	185,764	-
Capital projects	9,795,186	-	9,795,186	-
Unrestricted	204,063,471	696,691	204,760,162	11,247,129
Total net position	<u>\$ 644,267,997</u>	<u>\$ 12,000,098</u>	<u>656,268,095</u>	<u>\$ 11,247,129</u>
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.			<u>1,548,395</u>	
Net position of business-type activities			<u>\$ 657,816,490</u>	

CITY OF ROUND ROCK, TEXAS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Wastewater Fund	Golf Course Fund	Total	Internal Service Fund
Operating revenues -				
Charges for services	\$ 65,460,046	\$ 4,675,666	\$ 70,135,712	\$ 19,973,484
Licenses, permits, and fees	7,832,616	-	7,832,616	-
Total revenues	73,292,662	4,675,666	77,968,328	19,973,484
Operating expenses -				
Personnel services	19,201,634	-	19,201,634	-
Contractual services	25,621,177	3,746,186	29,367,363	3,996,986
Supplies	2,141,878	-	2,141,878	55
Repair and maintenance	1,808,038	-	1,808,038	358
Heat, light and power	2,847,327	62,659	2,909,986	9,585
Claims expense	-	-	-	18,455,165
Depreciation and amortization	27,704,799	788,540	28,493,339	-
Total operating expenses	79,324,853	4,597,385	83,922,238	22,462,149
Operating income (loss)	(6,032,191)	78,281	(5,953,910)	(2,488,665)
Nonoperating revenues (expenses) -				
Investment and other revenues	21,895,674	29,919	21,925,593	946,111
Interest and fiscal charges	(1,994,731)	(35,969)	(2,030,700)	-
Total nonoperating revenues (expenses)	19,900,943	(6,050)	19,894,893	946,111
Income before contributions and transfers	13,868,752	72,231	13,940,983	(1,542,554)
Contributions and transfers -				
Contributions - impact fees	4,868,184	-	4,868,184	-
Contributions - infrastructure	34,216,696	-	34,216,696	-
Contributions - other	1,612,238	183,216	1,795,454	-
Transfers out	(6,151,300)	-	(6,151,300)	-
Total contributions and transfers	34,545,818	183,216	34,729,034	-
Change in net position	48,414,570	255,447	48,670,017	(1,542,554)
Net position, October 1, 2024	597,175,911	11,744,651		12,789,683
Restatement	(1,322,484)	-		-
Net position, October 1, 2024, as restated	595,853,427	11,744,651		12,789,683
Net position, September 30, 2025	<u>\$ 644,267,997</u>	<u>\$ 12,000,098</u>		<u>\$ 11,247,129</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

(239,957)

Change in net position of business-type activities

\$ 48,430,060

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, 2025**

	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	\$ 66,880,166	\$ 4,744,043	\$ 71,624,209	\$ 2,110,128
Cash received from other funds for services provided	-	-	-	17,893,991
Cash payments to suppliers for goods and services	(29,898,402)	(4,030,437)	(33,928,839)	(22,603,231)
Cash payments to employees for services	(18,466,451)	-	(18,466,451)	-
Net cash provided (used) by operating activities	18,515,313	713,606	19,228,919	(2,599,112)
Cash flows from noncapital financing activities:				
Transfers to other funds	(6,151,300)	-	(6,151,300)	-
Net cash provided (used) by noncapital financing activities	(6,151,300)	-	(6,151,300)	-
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets	181,324	-	181,324	-
Acquisition and construction of capital assets	(37,801,058)	(389,243)	(38,190,301)	-
Investment in joint venture	(11,176,463)	-	(11,176,463)	-
Principal paid on revenue bonds	(4,191,408)	-	(4,191,408)	-
Interest paid on revenue, certificates of obligation bonds, and leases	(2,025,294)	(35,969)	(2,061,263)	-
Contributions and grant proceeds	17,442,952	-	17,442,952	-
Impact fees	4,868,184	-	4,868,184	-
Net cash provided (used) by capital and related financing activities	(32,701,763)	(425,212)	(33,126,975)	-
Cash flows from investing activities:				
Purchase of investments	-	(288,423)	(288,423)	-
Proceeds from sale and maturities of investments	14,810,781	-	14,810,781	2,202,921
Investment and other income	9,180,903	30,512	9,211,415	967,990
Net cash provided (used) by investing activities	23,991,684	(257,911)	23,733,773	3,170,911
Net increase (decrease) in cash and cash equivalents	3,653,934	30,483	3,684,417	571,799
Cash and cash equivalents at beginning of year	54,000,552	580,719	54,581,271	2,972,297
Cash and cash equivalents at end of year	\$ 57,654,486	\$ 611,202	\$ 58,265,688	\$ 3,544,096

**CITY OF ROUND ROCK, TEXAS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025**

	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	\$ 53,372,976	\$ 611,202	\$ 53,984,178	\$ 3,544,096
Restricted assets -				
Cash and cash equivalents	4,281,510	-	4,281,510	-
Cash and cash equivalents	<u>\$ 57,654,486</u>	<u>\$ 611,202</u>	<u>\$ 58,265,688</u>	<u>\$ 3,544,096</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (6,032,191)	\$ 78,281	\$ (5,953,910)	\$ (2,488,665)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation & amortization	27,704,799	788,540	28,493,339	-
Provision for bad debts	171,642	-	171,642	-
Joint venture loss	4,519,051	-	4,519,051	-
(Increase) decrease in:				
Receivables	(1,141,557)	32,625	(1,108,932)	30,635
Inventory	(1,287,499)	-	(1,287,499)	-
Other assets	(132,452)	10,960	(121,492)	2,000
Pension related deferred outflows	496,051	-	496,051	-
OPEB related deferred outflows	(76,454)	-	(76,454)	-
Increase (decrease) in:				
Accounts payable	(579,083)	(232,552)	(811,635)	(143,082)
Customer deposits	(33,877)	-	(33,877)	-
Accrued payroll	74,470	-	74,470	-
Unearned Revenue	(5,408,703)	35,752	(5,372,951)	-
Pension related deferred inflows	655,494	-	655,494	-
OPEB related deferred inflows	(93,597)	-	(93,597)	-
Net pension liability	(542,591)	-	(542,591)	-
Total OPEB liability	221,810	-	221,810	-
Total adjustments	<u>24,547,504</u>	<u>635,325</u>	<u>25,182,829</u>	<u>(110,447)</u>
Net cash provided (used) by operations	<u>\$ 18,515,313</u>	<u>\$ 713,606</u>	<u>\$ 19,228,919</u>	<u>\$ (2,599,112)</u>

NOTES:

Noncash capital and related financing activities:

In fiscal year 2025, the Water and Wastewater Fund had \$34,216,696 in capital assets contributed, recognized a change of \$33,353 in fair value of investments, and a change of \$(4,519,051) in joint venture net position.



CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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, 2025

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, 2025

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. 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
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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. To reduce reliance on any single sales tax provider or group, all are limited not to exceed 15% of total General Fund budgeted sales tax revenue, net of incentives. 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
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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 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
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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, and other investments 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 placed in service

CITY OF ROUND ROCK, TEXAS
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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>Contract term</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
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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

Compensated Absences

The City recognizes a leave liability once an employee has completed the service required to earn that leave which can be paid, used, or otherwise settled in a future reporting period, provided the following criteria are met:

- *The City's obligation to fund accumulated vacation, sick, and personal leave benefits 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.*

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.

CITY OF ROUND ROCK, TEXAS
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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 based on their current rank.

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.

A liability for the estimated value of leaves that will be used by employees as time off is included in the liability for compensated absences. Upon termination, all applicable leave balances are paid based on the rate of pay at the time of separation.

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, and Hotel-Motel Occupancy Venue Tax.

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

CITY OF ROUND ROCK, TEXAS
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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 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:

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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- 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 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.

CITY OF ROUND ROCK, TEXAS
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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, and Hotel-Motel Occupancy Venue Tax.

V. NEW AND FUTURE FINANCIAL REPORTING REQUIREMENTS

The GASB has issued the following statements which became effective for fiscal year 2025, and have been implemented:

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. See Note V (G) for restatement.

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 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*.

**CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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 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	\$ 141,412,400	\$ -	\$ 141,412,400
Licenses, permits and fees	2,859,900	-	2,859,900
Charges for services	5,540,300	-	5,540,300
Fines and forfeitures	1,066,000	-	1,066,000
Intergovernmental	2,481,200	347,874	2,829,074
Investment and other	7,913,100	-	7,913,100
Total revenues	<u>161,272,900</u>	<u>347,874</u>	<u>161,620,774</u>
Expenditures -			
Current -			
General government	36,321,600	(1,478,276)	34,843,324
Public safety	84,602,500	1,341,373	85,943,873
Public works	24,068,000	217,261	24,285,261
Culture and recreation	24,177,700	267,517	24,445,217
Total expenditures	<u>169,169,800</u>	<u>347,875</u>	<u>169,517,675</u>
Excess (deficiency) of revenues over expenditures	<u>(7,896,900)</u>	<u>(1)</u>	<u>(7,896,901)</u>
Other financing sources (uses) -			
Transfers in	7,954,300	-	7,954,300
Transfers out	-	(10,500,000)	(10,500,000)
Total other financing sources (uses)	<u>7,954,300</u>	<u>(10,500,000)</u>	<u>(2,545,700)</u>
Net change in fund balances	<u>\$ 57,400</u>	<u>\$ (10,500,001)</u>	<u>\$ (10,442,601)</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, 2025, 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	\$ 106,287,000
Self-Financed Construction Fund	8,547,000
Debt-Financed Capital Projects Fund	42,893,000

Nonmajor Funds

Special revenue funds	\$ 307,000
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CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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	\$ 435,505,000
Plus: Issuance premium (amortized against interest expense)	20,397,925
Less: Issuance discount (amortized against interest expense)	(8,375)
Bonds, certificates, and limited tax notes payable - private placement	23,555,000
State infrastructure bank loan	27,000,000
Excess sales tax payable	4,186,643
Lease payable	2,901,744
Subscriptions payable	8,606,648
Net pension liability	54,737,602
Compensated absences	21,079,880
Total OPEB liability	<u>18,158,455</u>
Net adjustment to reduce fund balance - total governmental funds	
to arrive at net position - governmental activities	<u>\$ 616,120,522</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	\$ 220,521,895
Depreciation/amortization expense	<u>(50,651,283)</u>
Net adjustment to increase net changes in fund balances -	
total governmental funds to arrive at changes in net position	
of governmental activities	<u>\$ 169,870,612</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	\$ 21,515,235
Reclassifications, disposals, and transfers	<u>(3,936,986)</u>
Net adjustment to increase net changes in fund balances -	
total governmental funds to arrive at changes in net position	
of governmental activities	<u>\$ 17,578,249</u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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	\$ (111,915,000)
Bond premium on issuance	(3,972,073)
Debt payments - public placement	18,350,000
Debt payments - private placement	3,320,000
Sales tax liability payments	2,438,040
Amortization of bond premium/discounts	1,707,513
Amortization of deferred amount on refunding	<u>(155,441)</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>\$ (90,226,961)</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	\$ 7,059,795
Decrease in deferred outflows related to pensions	(6,463,606)
Increase in deferred inflows related to pensions	<u>(3,936,992)</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>\$ (3,340,803)</u></u>
Increase in total OPEB liability	\$ (776,408)
Increase in deferred outflows related to OPEB	428,489
Decrease in deferred inflows related to OPEB	<u>769,888</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>\$ 421,969</u></u>
Change in compensated absences	\$ (44,576)
Change in accrued interest	<u>(815,906)</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>\$ (860,482)</u></u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

IV. DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

Cash and investments at September 30, 2025, reconciled to the statement of net position amounts for cash and cash equivalents and investments is as follows:

Cash in banks	\$ 89,399,029
Investments	<u>459,489,995</u>
Total cash and investments	<u><u>\$ 548,889,024</u></u>
Statement of net position presentation:	
Cash and cash equivalents	\$ 109,862,189
Investments	243,332,284
Restricted assets -	
Cash and cash equivalents	91,486,389
Investments	<u>104,208,162</u>
Total cash and cash equivalents and investments	<u><u>\$ 548,889,024</u></u>

At September 30, 2025, the carrying amount of deposits was a debit balance of \$89,399,029, including \$1,257,610 net of deposits in transit and outstanding checks, meaning the respective bank balances totaled \$90,656,639. 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	\$ 188,422,381	\$ 188,422,381	184
Certificates of Deposit	159,118,068	159,118,068	312
State Investment Pools	<u>111,949,546</u>	<u>111,949,546</u>	44
	<u><u>\$ 459,489,995</u></u>	<u><u>\$ 459,489,995</u></u>	
Portfolio weighted average maturity			194

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, 2025, the City has the recurring fair value measurements for U.S. Government securities of \$188,422,381 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, 2025**

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, 2025, 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, 2025, 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 2025 were in the aforementioned categories.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Local Government Investment Pools

As of September 30, 2025, 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 \$103,218,880 invested in TexPool, \$232,692 invested in TexSTAR, \$5,834,942 in TexasDAILY Select, and \$2,663,032 in TexasDAILY at September 30, 2025.

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, 2025**

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 2024 tax roll. The tax rate, based on total taxable assessed valuation of \$25,298,237,554 was \$0.360000 on each \$100 valuation and was allocated to the General Fund and Debt Service Fund at \$0.254602 and \$0.105398, respectively.

Property taxes receivable as of September 30, 2025, were as follows:

	General Fund	Debt Service Fund	Total
Current year levy	\$ 161,864	\$ 79,724	\$ 241,588
Prior years' levies	294,665	182,950	477,615
	456,529	262,674	719,203
Less - allowance for uncollectible taxes	(4,565)	(4,024)	(8,589)
	<u>\$ 451,964</u>	<u>\$ 258,650</u>	<u>\$ 710,614</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, 2025, were as follows:

Receivable Fund	Payable Fund	Receivable	Payable
Debt Service Fund	General Fund	\$ 5,497	\$ 5,497
Self-Financed Construction Fund		436,022	-
Total Governmental Funds		441,519	5,497
	Golf Course Fund	-	436,022
Total Proprietary Funds		-	436,022
Total Interfund		<u>\$ 441,519</u>	<u>\$ 441,519</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
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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 2025, the RRTEDC Fund received \$24.4 million transferred from the Debt-Financed Capital Project Fund for eligible capital road project costs and \$1.9 million from the Debt Service Fund for release of sinking fund deposit on debt paid off. The Self Financed Construction Fund received \$5.8 million from the RRTEDC Fund and \$4.9 million from the Hotel-Motel Occupancy Tax Fund for the Griffith Building Remodel and Paseo project. The Fund also received \$10.8 million from the General Fund for excess sales tax revenue and rolling encumbrances. The General Fund received \$6.2 million from the Water and Wastewater Fund, and \$1.6 million from the RRTEDC Fund for administrative support 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, 2025

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds</u>		
General Fund -		
Water and Wastewater Fund	\$ 6,151,300	\$ -
Self-Financed Construction Fund	-	10,781,500
RRTEDC Fund	1,603,000	-
Nonmajor Governmental Funds	200,000	-
	<u>7,954,300</u>	<u>10,781,500</u>
Debt Service Fund -		
RRTEDC Fund	653,200	1,952,754
Nonmajor Governmental Funds	6,228,924	977,935
	<u>6,882,124</u>	<u>2,930,689</u>
RRTEDC Fund -		
General Fund	-	1,603,000
Debt Service Fund	1,952,754	653,200
Debt-Financed Capital Projects Fund	24,386,100	-
Self-Financed Construction Fund	-	5,821,486
	<u>26,338,854</u>	<u>8,077,686</u>
Debt-Financed Capital Projects Fund -		
RRTEDC Fund	-	24,386,100
	<u>-</u>	<u>24,386,100</u>
Self-Financed Construction Fund -		
General Fund	10,781,500	-
RRTEDC Fund	5,821,486	-
Nonmajor Governmental Funds	4,861,408	-
	<u>21,464,394</u>	<u>-</u>
Other Governmental Funds -		
General Fund	-	200,000
Debt Service Fund	-	6,228,924
Self-Financed Construction Fund	-	4,861,408
Nonmajor Governmental Funds	1,652,935	675,000
	<u>1,652,935</u>	<u>11,965,332</u>
Subtotal of Governmental Funds	<u>64,292,607</u>	<u>58,141,307</u>
<u>Proprietary Funds</u>		
Water and Wastewater Fund -		
General Fund	-	6,151,300
Subtotal of Proprietary Funds	<u>-</u>	<u>6,151,300</u>
Total Transfers	<u>\$ 64,292,607</u>	<u>\$ 64,292,607</u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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, 2025

	Total	City's Interest
ASSETS		
Cash and cash equivalents	\$ 4,078,156	\$ 1,764,763
Accounts receivable	20,900	6,918
Due from partner cities	1,120,712	261,052
Restricted investments	153,799,892	42,970,986
Capital assets	353,608,375	109,666,706
Total assets	<u>512,628,035</u>	<u>154,670,425</u>
 DEFERRED OUTFLOWS OF RESOURCES	 <u>9,589,145</u>	 <u>3,736,604</u>
 LIABILITIES		
Accounts payable	5,906,271	1,436,332
Retainage payable	7,746,257	2,167,213
Due to partner cities	1,820,425	1,151,511
Current portion of bonds payable	16,765,000	4,690,000
Accrued bond interest payable	1,928,832	649,536
Total current liabilities	<u>34,166,785</u>	<u>10,094,592</u>
Noncurrent portion of bonds payable	377,538,783	110,926,839
Total liabilities	<u>411,705,568</u>	<u>121,021,431</u>
 NET POSITION	 <u>\$ 110,511,612</u>	 <u>\$ 37,385,598</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended September 30, 2025

	Total	City's Interest
Operating revenues	\$ 5,768,861	\$ 1,996,725
Interest expense	(11,684,702)	(3,825,411)
Other operating expenses	(15,756,807)	(4,884,081)
Other income (expense)	10,339,330	2,193,716
Changes in Net Position	<u>(11,333,318)</u>	<u>(4,519,051)</u>
 Net position, October 1, 2024	 88,587,268	 30,728,186
Contribution of capital, net	33,257,662	11,176,463
Net position, September 30, 2025	<u>\$ 110,511,612</u>	<u>\$ 37,385,598</u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

E. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025, was as follows:

	October 1, 2024	Additions/ Completions	Retirements/ Adjustments	September 30, 2025
Governmental Activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 136,538,377	\$ 5,411,186	\$ (3,792,029)	\$ 138,157,534
Construction in progress	113,597,033	200,610,314	(86,283,787)	227,923,560
Total capital assets not being depreciated/ amortized	250,135,410	206,021,500	(90,075,816)	366,081,094
Capital assets being depreciated/amortized:				
Buildings and improvements	1,151,006,940	99,304,850	(953,026)	1,249,358,764
Equipment	111,298,884	12,512,532	(4,878,339)	118,933,077
Right-to-use lease equipment	773,487	3,630,413	-	4,403,900
Right-to-use subscription assets	9,364,531	6,851,622	(435,313)	15,780,840
Total capital assets being depreciated/ amortized	1,272,443,842	122,299,417	(6,266,678)	1,388,476,581
Less accumulated depreciation/amortization for:				
Buildings and improvements	550,162,426	37,193,630	(862,087)	586,493,969
Equipment	84,999,507	9,240,666	(4,824,321)	89,415,852
Right-to-use lease equipment	476,687	875,113	-	1,351,800
Right-to-use subscription assets	3,480,680	3,341,874	(435,313)	6,387,241
Total accumulated depreciation/amortization	639,119,300	50,651,283	(6,121,721)	683,648,862
Total capital assets being depreciated/ amortized, net	633,324,542	71,648,134	(144,957)	704,827,719
Governmental activities capital assets, net	<u>\$ 883,459,952</u>	<u>\$ 277,669,634</u>	<u>\$ (90,220,773)</u>	<u>\$ 1,070,908,813</u>
Business-Type Activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 9,522,886	\$ 3,792,029	\$ -	\$ 13,314,915
Construction in progress	30,280,884	43,365,809	(17,641,152)	56,005,541
Total capital assets not being depreciated/ amortized	39,803,770	47,157,838	(17,641,152)	69,320,456
Capital assets being depreciated/amortized:				
Buildings and improvements	703,554,977	45,242,414	-	748,797,391
Equipment	21,818,530	1,870,923	(1,061,540)	22,627,913
Right-to-use lease equipment	496,441	205,616	-	702,057
Total capital assets being depreciated/ amortized	725,869,948	47,318,953	(1,061,540)	772,127,361
Less accumulated depreciation/amortization for:				
Building and improvements	302,986,360	26,016,471	-	329,002,831
Equipment	15,151,042	2,213,597	(818,323)	16,546,316
Right-to-use lease equipment	46,542	263,271	-	309,813
Total accumulated depreciation/amortization	318,183,944	28,493,339	(818,323)	345,858,960
Total capital assets being depreciated/ amortized, net	407,686,004	18,825,614	(243,217)	426,268,401
Business-type activities capital assets, net	<u>\$ 447,489,774</u>	<u>\$ 65,983,452</u>	<u>\$ (17,884,369)</u>	<u>\$ 495,588,857</u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

Governmental Activities:

General government	\$ 6,002,976
Public safety	7,666,589
Public works	27,817,878
Culture and recreation	9,163,840
Total depreciation/amortization expense - governmental activities	<u>\$ 50,651,283</u>

Business-Type Activities:

Water and wastewater utility	\$ 27,704,799
Golf course	788,540
Total depreciation/amortization expense - business-type activities	<u>\$ 28,493,339</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, 2025, follows:

	Governmental Activities	Business-Type Activities	Total
Net investment in capital assets:			
Total capital assets (net of accumulated depreciation/amortization)	\$ 1,070,908,813	\$ 495,588,857	\$ 1,566,497,670
Plus capital-related deferred outflows/(inflows) of resources	(20,307)	2,908,467	2,888,160
Less capital-related long-term debt	(517,957,942)	(56,970,341)	(574,928,283)
Plus unspent bond proceeds	29,927,514	-	29,927,514
Net investment in capital assets (net of related debt)	<u>\$ 582,858,078</u>	<u>\$ 441,526,983</u>	<u>\$ 1,024,385,061</u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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, 2025:

	Balance October 1, 2024, Restated	Additions	Refundings/ Retirements	Balance September 30, 2025	Due within one year
Governmental Activities					
<u>Public Placement</u>					
General obligation bonds	\$ 157,755,000	\$ 87,520,000	\$ (8,670,000)	\$ 236,605,000	\$ 11,065,000
Certificates of obligation	131,120,000	19,620,000	(4,970,000)	145,770,000	4,495,000
Limited tax notes	9,960,000	4,775,000	(2,005,000)	12,730,000	2,840,000
Hotel tax revenue bonds	6,040,000	-	(705,000)	5,335,000	320,000
Sales tax revenue bonds	37,065,000	-	(2,000,000)	35,065,000	2,040,000
Plus deferred amount:					
For issuance premium	18,141,738	3,972,073	(1,715,886)	20,397,925	2,193,430
For issuance discount	(16,748)	-	8,373	(8,375)	(8,375)
Total Public Placement	360,064,990	115,887,073	(20,057,513)	455,894,550	22,945,055
<u>Private Placement</u>					
General obligation bonds	1,115,000	-	(370,000)	745,000	370,000
Certificates of obligation	24,835,000	-	(2,025,000)	22,810,000	3,045,000
Limited tax notes	925,000	-	(925,000)	-	-
Total Private Placement	26,875,000	-	(3,320,000)	23,555,000	3,415,000
State Infrastructure Bank Loan	27,000,000	-	-	27,000,000	1,340,000
Excess sales tax liability	6,624,683	-	(2,438,040)	4,186,643	2,438,040
Leases	297,692	3,630,413	(1,026,361)	2,901,744	894,942
Subscriptions	5,320,586	6,851,622	(3,565,560)	8,606,648	2,936,007
Compensated absences ¹	21,035,304	43,873	-	21,079,177	3,305,618
Total governmental activities	447,218,255	126,412,981	(30,407,474)	543,223,762	37,274,662
Business-Type Activities					
<u>Public Placement</u>					
Revenue bonds	56,175,000	-	(3,860,000)	52,315,000	4,045,000
Plus deferred amount:					
For issuance premium	4,483,755	-	(331,408)	4,152,347	331,408
Total Public Placement	60,658,755	-	(4,191,408)	56,467,347	4,376,408
Leases	466,955	205,616	(169,577)	502,994	174,016
Compensated absences ¹	2,413,103	-	(703)	2,412,400	371,288
Total business-type activities	63,538,813	205,616	(4,361,688)	59,382,741	4,921,712
Total primary government	\$ 510,757,068	\$ 126,618,597	\$ (34,769,162)	\$ 602,606,503	\$ 42,196,374

¹ Balance October 1, 2024, has been restated in accordance with GASB 101. The change in compensated absences liability is presented as a net change.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Long-term debt at September 30, 2025, 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%	\$ 2,675,000	\$ -	\$ -
\$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%	2,250,000	-	-
\$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%	24,305,000	-	-
\$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%	3,465,000	-	-
\$6,980,000 2020 refunding bonds due in annual installments of \$375,000 to \$2,005,000 through 2027; interest at 1.21%	-	745,000	-
\$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%	77,430,000	-	-
\$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%	19,690,000	-	-
\$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%	19,270,000	-	-
\$87,520,000 2025 GO bonds due in annual installments of \$930,000 to \$5,840,000 through 2050; interest at 4.25% to 5.0%	<u>87,520,000</u>	<u>-</u>	<u>-</u>
Total General Obligation Bonds	<u>236,605,000</u>	<u>745,000</u>	<u>-</u>
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%	3,580,000	-	-
\$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%	5,450,000	-	-
\$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%	23,550,000	-	-
\$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%	-	22,810,000	-
\$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%	12,080,000	-	-
\$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%	12,135,000	-	-
\$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%	25,165,000	-	-
\$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%	24,940,000	-	-

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

	Governmental Activities Public Placement	Governmental Activities Private Placement	Business- Type Activities Public Placement
Certificates of Obligation, continued:			
\$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%	\$ 19,250,000	\$ -	\$ -
\$19,620,000 2025 Combination tax and limited revenue certificates of obligations due in installments of \$210,000 to \$1,305,000 through 2050; interest at 4.375% to 5.0%	19,620,000	-	-
Total Certificates of Obligation	<u>145,770,000</u>	<u>22,810,000</u>	<u>-</u>
Limited Tax Notes:			
\$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%	605,000	-	-
\$1,900,000 2022 Limited tax notes due in annual installments of \$325,000 to \$425,000 through 2027; interest at 5.0%	825,000	-	-
\$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%	6,525,000	-	-
\$4,775,000 2025 Limited tax notes due in annual installments of \$655,000 to \$905,000 through 2031; interest at 5.0%	4,775,000	-	-
Total Limited Tax Notes	<u>12,730,000</u>	<u>-</u>	<u>-</u>
Hotel Tax Revenue Bonds:			
\$5,560,000 2021 refunding bonds due in annual installments of \$75,000 to \$515,000 through 2037; interest at 4.0%	5,335,000	-	-
Total Hotel Tax Revenue Bonds	<u>5,335,000</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%	17,055,000	-	-
\$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%	18,010,000	-	-
Total Sales Tax Revenue Bonds	<u>35,065,000</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%	-	-	4,465,000
\$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%	-	-	31,060,000
\$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%	-	-	16,790,000
Total Utility System Revenue Bonds	<u>-</u>	<u>-</u>	<u>52,315,000</u>
Issuance premium	20,397,925	-	4,152,347
Issuance discount	(8,375)	-	-
Total public and private placement debt	<u><u>\$ 455,894,550</u></u>	<u><u>\$ 23,555,000</u></u>	<u><u>\$ 56,467,347</u></u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

The annual requirements to amortize bonds, certificates of obligation, limited tax notes, loan and notes payable debt at September 30, 2025, 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
2026	\$ 15,560,000	\$ 15,937,254	\$ 31,497,254	\$ 3,415,000	\$ 421,876	\$ 3,836,876
2027	17,345,000	14,136,770	31,481,770	3,490,000	362,284	3,852,284
2028	15,755,000	13,487,765	29,242,765	3,185,000	301,365	3,486,365
2029	16,345,000	12,887,222	29,232,222	3,255,000	243,717	3,498,717
2030	16,995,000	12,255,938	29,250,938	3,330,000	184,801	3,514,801
2031-2035	89,810,000	51,621,013	141,431,013	3,400,000	124,528	3,524,528
2036-2040	87,560,000	34,898,413	122,458,413	3,480,000	62,988	3,542,988
2041-2045	72,225,000	19,177,150	91,402,150	-	-	-
2046-2050	50,780,000	6,140,038	56,920,038	-	-	-
	<u>\$ 382,375,000</u>	<u>\$ 180,541,563</u>	<u>\$ 562,916,563</u>	<u>\$ 23,555,000</u>	<u>\$ 1,701,559</u>	<u>\$ 25,256,559</u>

Year Ending Sept. 30,	Limited Tax Notes - Public Placement		
	Principal	Interest	Total
2026	\$ 2,840,000	\$ 674,722	\$ 3,514,722
2027	2,410,000	494,500	2,904,500
2028	2,085,000	374,000	2,459,000
2029	2,190,000	269,750	2,459,750
2030	2,300,000	160,250	2,460,250
2031-2035	905,000	45,250	950,250
	<u>\$ 12,730,000</u>	<u>\$ 2,018,472</u>	<u>\$ 14,748,472</u>

Year Ending Sept. 30,	Hotel Tax Revenue Bonds - Public Placement		
	Principal	Interest	Total
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	370,000	151,600	521,600
2031-2035	2,120,000	516,000	2,636,000
2036-2040	1,485,000	90,700	1,575,700
	<u>\$ 5,335,000</u>	<u>\$ 1,505,700</u>	<u>\$ 6,840,700</u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Year Ending Sept. 30,	Sales Tax Revenue Bonds - Public Placement		
	Principal	Interest	Total
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	1,620,000	835,093	2,455,093
2031-2035	7,350,000	3,583,004	10,933,004
2036-2040	8,140,000	2,451,753	10,591,753
2041-2045	8,535,000	989,386	9,524,386
2046-2049	1,010,000	32,825	1,042,825
	<u>\$ 35,065,000</u>	<u>\$ 11,724,042</u>	<u>\$ 46,789,042</u>

Year Ending Sept. 30,	State Infrastructure Bank Loan		
	Principal	Interest	Total
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	1,455,000	450,975	1,905,975
2031-2035	7,745,000	1,783,635	9,528,635
2036-2040	8,585,000	935,970	9,520,970
2041-2044	3,690,000	116,655	3,806,655
	<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
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	3,640,000	1,440,906	5,080,906
2031-2035	18,260,000	5,465,256	23,725,256
2036-2039	16,050,000	1,740,800	17,790,800
	<u>\$ 52,315,000</u>	<u>\$ 15,440,518</u>	<u>\$ 67,755,518</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, 2025, 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, 2025

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	100,000,000	130,000,000
		<u>\$ 274,000,000</u>	<u>\$ 110,000,000</u>	<u>\$ 164,000,000</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 2025, net revenues available for debt service were 7.32 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 \$687,067 at September 30, 2025, 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.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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 \$609,116 at September 30, 2025, 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.

2025 Issuances

In May of 2025, the City issued \$87,520,000 of General Obligation Bonds, Series 2025. The bonds were issued with an interest rate of 4.25% to 5.0% and mature through 2050. 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, citywide 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; and (2) paying the costs of issuing the Bonds.

Additionally, in May 2025, the City issued \$19,620,000 of Combination Tax and Limited Revenue Certificates of Obligation, Series 2025. The certificates were issued with an interest rate of 4.375% to 5.000% and mature through 2050. Proceeds from the sale will be used for paying contractual obligations incurred or to be incurred by the City for (1) 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, Chisholm Trail North and South, County Road 112, County Road 118, Deep Wood Drive, 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, Sam Bass & Hairy Man Road Intersection Improvements, US 79, and Wyoming Springs Drive; and (2) 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 \$4,775,000 Limited Tax Notes, Series 2025 in May 2025. The notes were issued with an interest rate of 5.000% and mature through 2031. 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 costs of issuing the Notes.

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

State Infrastructure Bank Loan

In September 2022, the Round Rock Transportation and Economic Development Corporation entered into an agreement with the Texas Transportation Commission to borrow \$27,000,000 through the State Infrastructure Bank for utility relocation, right-of-way acquisition and construction for a non-tolled, off-system project involving various improvements to Gattis School Road in Williamson County. The loan does not bear interest for the initial three (3) years bearing interest at 2.10% per annum thereafter. Annual installments of \$1,340,000 to \$1,865,000 are due over twenty (20) years with a final maturity in August 2042.

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, 2025

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, 2025, the City, has 10 active leases. The leases have payments that range from \$9,205 to \$540,319 and interest rates that range from 0.4350% to 8.5000%. The total combined value of the lease liability is \$3,404,738, and the total combined value of the short-term lease liability is \$1,068,958. The combined value of the right-to-use asset of \$5,105,957 with accumulated amortization of \$1,661,614 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	\$ 5,105,957	\$ 1,661,613
Total Leases	<u>\$ 5,105,957</u>	<u>\$ 1,661,613</u>

Principal and Interest Requirements to Maturity

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	\$ 1,068,958	\$ 125,856	\$ 1,194,814
2027	799,407	81,619	881,026
2028	815,394	56,547	871,941
2029	<u>720,979</u>	29,416	750,395
Total Principal Payments	3,404,738		
Cumulative Variance as of Fiscal Year-End	-		
Total Remaining Liability	<u>\$ 3,404,738</u>		

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

H. SUBSCRIPTIONS

To enhance the relevance and consistency of information about the City's subscriptions activities, a single model for subscription accounting has been established 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, 2025 the City has 27 active subscriptions. The subscriptions have payments that range from \$3,400 up to \$1,358,924 and interest rates that range from 2.32% to 4.08%. The total combined value of the subscription liability is \$8,606,648, and the total combined value of the short-term subscription liability is \$2,936,007. The combined value of the right-to-use asset of \$15,780,840 with accumulated amortization of \$6,387,241 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	\$ 15,780,840	\$ 6,387,241
Total Subscriptions	<u>\$ 15,780,840</u>	<u>\$ 6,387,241</u>

Principal and Interest Requirements to Maturity

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	\$ 2,936,007	\$ 221,666	\$ 3,157,673
2027	2,895,159	143,159	3,038,318
2028	1,079,969	69,194	1,149,163
2029	946,928	42,619	989,547
2030	748,585	17,442	766,027
Total Principal Payments	8,606,648		
Cumulative Variance as of Fiscal Year-End	-		
Total Remaining Liability	<u>\$ 8,606,648</u>		

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

J. RESTRICTED ASSETS

The following summarizes restricted assets by purpose at September 30, 2025:

	Cash and Cash Equivalents	Investments	Property Taxes Receivable	Sales Tax Receivable	Accounts and Other
Governmental Activities:					
Debt Service Fund	\$ 1,807,905	\$ -	\$ 258,650	\$ -	\$ -
Restricted by debt covenants - Round Rock Transportation and Economic Development Corporation Fund	42,747,100	89,084,489	-	2,429,698	17,110,748
Debt-Financed Capital Projects Fund	38,573,094	-	-	-	-
Roadway Impact Fees Fund	3,144,612	7,300,230	-	-	41,270
Other Governmental funds	7,511,217	15,104,451	-	-	1,195,141
Total Governmental Activities	<u>\$ 93,783,928</u>	<u>\$ 111,489,170</u>	<u>\$ 258,650</u>	<u>\$ 2,429,698</u>	<u>\$ 18,347,159</u>

	Cash and Cash Equivalents	Investments	Accrued Interest Receivable
Business-Type Activities:			
Water and Wastewater Fund - Impact fees	\$ 576,699	\$ 1,338,810	\$ -
Construction	2,360,727	5,480,438	-
Customer deposits	1,158,320	-	-
Revenue bond debt service	185,764	-	-
Accrued interest receivable	-	-	38,512
Total Business-Type Activities	<u>\$ 4,281,510</u>	<u>\$ 6,819,248</u>	<u>\$ 38,512</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 \$18,394 and Travis County was paid \$1,233 for the fiscal year ended September 30, 2025.

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.

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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, 2025, the City's cost under this contract was \$668,640.

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, 2025, the City's cost under this contract was \$1,804,333.

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, 2025, the City's cost under these contracts was \$2,184,898.

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 and September 2023, 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 2030. 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.

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, 2025, the City of Round Rock's allocated share of operation and maintenance expenses was 68.26%.

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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. There is no arbitrage liability at September 30, 2025, and the City estimates that future rebatable arbitrage liability (if any) will be immaterial to overall financial conditions..

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, 2025, 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	\$ 1,631,573
Property Tax	1,205,100
Sales Tax	12,540,259

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.

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

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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 \$21,785,101 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
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
2025	1,218,654	18,455,165	18,598,247	1,075,572

C. EMPLOYEE RETIREMENT PLAN

Plan Description

The City participates as one of more than 935 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 TMRS Act, Subtitle G, Title 8, Texas Government Code (The TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS 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.

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.

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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 Retroactive
Supplemental death benefits for employees and retirees	Yes

Employees Covered by Benefit Terms

At the December 31, 2024, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	522
Inactive employees entitled to but not yet receiving benefits	630
Active employees	1,166
Total	<u>2,318</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 2024 and 2025 as follows:

	2024	2025
Total Retirement Rate	16.98%	17.09%
Supplemental Death Benefit	0.24	0.24
Total Combined Contribution	<u>17.22%</u>	<u>17.33%</u>

The City's contributions to TMRS for the year ended September 30, 2025, were \$17,927,382 and were equal to the required contributions.

Net Pension Liability

The City's net pension liability (NPL) was measured as of December 31, 2024, 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

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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 asset allocation 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%	7.1%
Core Fixed Income	6.0%	5.0%
Non-Core Fixed Income	6.0%	6.8%
Other Private Markets	4.0%	7.3%
Real Estate	12.0%	6.7%
Hedge Funds	5.0%	6.4%
Private Equity	13.0%	8.5%
Private Debt	13.0%	8.2%
Infrastructure	6.0%	6.0%
Total	100.0%	

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.

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Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2023	\$ 438,762,992	\$ 368,629,927	\$ 70,133,065
Changes for the year:			
Service cost	18,065,141	-	18,065,141
Interest	29,721,587	-	29,721,587
Difference between expected and actual experience	6,268,539	-	6,268,539
Changes in Assumptions	-	-	-
Contributions - employer	-	16,661,912	(16,661,912)
Contributions - employee	-	6,868,875	(6,868,875)
Net investment income	-	38,378,257	(38,378,257)
Benefit payments, including refunds of employee contributions	(14,951,519)	(14,951,519)	-
Administrative expense	-	(245,647)	245,647
Other	-	(5,745)	5,745
Net changes	39,103,748	46,706,133	(7,602,385)
Balance at December 31, 2024	\$ 477,866,740	\$ 415,336,060	\$ 62,530,680

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	Current	1% Increase
	5.75%	Discount Rate	7.75%
		6.75%	
City's Net Pension Liability	\$ 136,013,586	\$ 62,530,680	\$ 2,598,654

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.

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

For the year ended September 30, 2025, the City recognized a decrease to pension expense of \$2,586,000. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 13,756,794	\$ -
Difference between projected and actual investment earnings	-	4,691,797
Changes in actuarial assumptions used to determine pension liability	-	567,800
Pension contributions after measurement date	13,018,383	-
Total	<u>\$ 26,775,177</u>	<u>\$ 5,259,597</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$13,018,384 will be recognized as a reduction of the NPL for the measurement year ending December 31, 2025, (i.e., recognized in the City's financial statements September 30, 2026). 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
2025	\$ 5,134,435
2026	8,213,964
2027	(3,212,809)
2028	(1,638,392)
2029	-
Thereafter	-
Total	<u>\$ 8,497,198</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.

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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). Benefit payments are treated as being equal to the employer's yearly contributions for retirees.

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, 2024, valuation and measurement date, the following employees were covered by the benefit terms:

SDBF:

Inactive employees currently receiving benefits	429
Inactive employees entitled to but not yet receiving benefits	177
Active employees	1,166
Total	<u>1,772</u>

Self-Funded Health Insurance:

Inactive employees (retirees)	37
Active employees	1,006
Total	<u>1,043</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 0.20% of required contributions. The City's contributions to SDBF for the years ended 2025, 2024, and 2023 were \$61,450, \$57,480, and \$24,027, 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 2025, 2024, and 2023.

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.

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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, 2025, the City recognized a total OPEB liability of \$20,743,703, \$2,554,808 of which was for the SDBF, and \$18,188,895 for the Self-Funded Health Insurance plan. Both were measured as of December 31, 2024, and were determined by an actuarial valuation as of that date.

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Actuarial Assumptions

The total OPEB liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions:

	SDBF	Self-Funded Health Insurance
Inflation	2.5%	2.5%
Salary increases	3.6% to 11.85% including inflation	3.0%
Discount rate**	4.08%	4.16%
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	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). 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.	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.
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.

** 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-Bond GO Index" closest to, but not later than December 31, 2024.

*** 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

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

Changes in the Total OPEB Liability

	SDBF	Self-Funded Health Insurance	Total
Balance at December 31, 2023	\$ 2,567,643	\$ 17,177,841	\$ 19,745,484
Changes for the year:			
Service cost	127,565	1,317,669	1,445,234
Interest	98,095	742,720	840,815
Differences between expected and actual experience	(28,353)	540,885	512,532
Changes in assumptions or other inputs	(151,266)	(233,970)	(385,236)
Benefit payments	(58,876)	(1,356,252)	(1,415,128)
Net changes	(12,835)	1,011,052	998,217
Balance at December 31, 2024	\$ 2,554,808	\$ 18,188,893	\$ 20,743,701

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 (4.08% for SDBF and 4.16% 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 3.08%	Current Discount Rate 4.08%	1% Increase 5.08%
SDBF	\$ 3,089,523	\$ 2,554,808	\$ 2,141,071

	1% Decrease 3.16%	Current Discount Rate 4.16%	1% Increase 5.16%
Self-Funded Health Insurance	\$ 19,395,122	\$ 18,188,893	\$ 17,022,773

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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	\$ 16,392,117	\$ 18,188,893	\$ 20,253,035

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

For the fiscal year ended September 30, 2025, the City recognized total OPEB expense of \$1,614,215, \$67,172 of which was for the SDBF, and \$1,547,043 for the Self-Funded Health Insurance plan. At September 30, 2025, 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		
		Self- Funded Health Insurance			Self- Funded Health Insurance	
	SDBF		Total	SDBF		Total
Difference between expected and actual experience	\$ 11,125	\$ 458,852	\$ 469,977	\$ 66,552	\$ 1,876,794	\$ 1,943,346
Changes in assumptions and other inputs	356,427	541,446	897,873	868,252	1,731,749	2,600,001
OPEB contributions after measurement date	44,866	900,000	944,866	-	-	-
Total	<u>\$ 412,418</u>	<u>\$ 1,900,298</u>	<u>\$ 2,312,716</u>	<u>\$ 934,804</u>	<u>\$ 3,608,543</u>	<u>\$ 4,543,347</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$944,866 will be recognized as a reduction of the total OPEB for the measurement year ending December 31, 2025 (i.e., recognized in the City's financial statements September 30, 2026). Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred Outflows (Inflows) of Resources	
Measurement Year Ending December 31,	SDBF	Self-Funded Health Insurance
2025	\$ (87,060)	\$ (620,418)
2026	(122,954)	(620,418)
2027	(181,986)	(673,217)
2028	(150,325)	(530,954)
2029	(16,920)	(190,864)
Thereafter	(8,007)	27,625
Total	<u>\$ (567,252)</u>	<u>\$ (2,608,246)</u>

CITY OF ROUND ROCK, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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 agreement began on January 1, 2017 but at third calendar year of initial term (January 1, 2020), the term automatically renews such that the balance of the term is always two years. Either party has the option to terminate the agreement with two (2) years written notice. 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

Sales Tax

A significant multi-entity sales taxpayer with an incentive agreement notified the City during FY 2025 that the Comptroller was continuing its 5-year sales tax audit, originally disclosed in FY 2023. Preliminary results indicate the sales tax was overreported and overpaid which will result in an additional one-time sales tax repayment from the City to the Comptroller of approximately \$8 million. The City will recover a portion of the assessment through an adjustment to the existing incentive agreement. The City anticipates settlement of the amount during FY 2026.

G. RESTATEMENT OF BEGINNING BALANCES

During the current year, the City implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of vacation and sick time owed to employees upon separation of employment, the City now recognizes an estimated amount of sick, personal, catastrophic, and holiday leave, as applicable, earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the "Restatement - GASB 101 implementation" column in the table below.

	Net position/fund balance 9/30/2024 as previously reported	Restatement - GASB 101 implementation	Net position/fund balance 9/30/2024 as restated
Government-Wide			
Governmental activities	\$ 734,423,060	\$ (9,355,876)	\$ 725,067,184
Business-type activities	610,708,914	(1,322,484)	609,386,430
Total government-wide	<u>\$ 1,345,131,974</u>	<u>\$ (10,678,360)</u>	<u>\$ 1,334,453,614</u>
Enterprise funds			
Water and Wastewater Fund	\$ 598,964,263	\$ (1,322,484)	\$ 597,641,779
Golf Course Fund	11,744,651	-	11,744,651
Total enterprise funds	<u>\$ 610,708,914</u>	<u>\$ (1,322,484)</u>	<u>\$ 609,386,430</u>



REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information

Texas Municipal Retirement System (TMRS) Plan

Schedule of Changes in the Net Pension Liability and Related Ratios

Texas Municipal Retirement System (TMRS) Plan

Schedule of Contributions

Schedule of Changes in the Total OPEB Liability and Related Ratios

Supplemental Death Benefit Fund

General Fund: Statement of Revenues, Expenditures And Changes in Fund Balance - Budget and Actual

Round Rock transportation and Economic Development Corporation Fund:

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Roadway Impact Fees: Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

CITY OF ROUND ROCK, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION - LAST TEN MEASUREMENT YEARS
SEPTEMBER 30, 2025
(UNAUDITED)

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

Measurement period ended December 31,	2015	2016	2017
<u>Total Pension Liability</u>			
Service cost	\$ 8,990,916	\$ 9,609,823	\$ 10,430,650
Interest (on the Total Pension Liability)	14,481,391	15,065,206	16,360,878
Difference between expected and actual experience	(662,530)	704,655	671,908
Change of assumptions	(1,208,085)	-	-
Benefit payments, including refunds of employee contributions	(5,493,451)	(5,706,408)	(7,483,495)
Net Change in Total Pension Liability	16,108,241	19,673,276	19,979,941
Total Pension Liability - Beginning	205,128,282	221,236,523	240,909,799
Total Pension Liability - Ending (a)	<u>\$ 221,236,523</u>	<u>\$ 240,909,799</u>	<u>\$ 260,889,740</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	\$ 8,195,714	\$ 8,302,118	\$ 9,138,705
Contributions - Employee	3,644,800	3,779,341	4,113,985
Net investment income	252,867	12,021,503	27,187,574
Benefit payments, including refunds of employee contributions	(5,493,451)	(5,706,408)	(7,483,495)
Administrative expense	(154,001)	(135,695)	(140,808)
Other	(7,607)	(7,311)	(7,136)
Net Change in Plan Fiduciary Net Position	6,438,322	18,253,548	32,808,825
Plan Fiduciary Net Position - Beginning	171,346,855	177,785,177	196,038,725
Plan Fiduciary Net Position - Ending (b)	177,785,177	196,038,725	228,847,550
Net Pension Liability - Ending (a) - (b)	<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	80.36%	81.37%	87.72%
Covered Employee Payroll	\$ 51,731,390	\$ 53,776,289	\$ 58,533,388
Net Pension Liability as a Percentage of Covered Employee Payroll	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	2024
\$ 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	\$ 18,065,141 29,721,587
773,706 -	4,071,075 608,160	2,225,761 -	5,600,114 -	8,160,742 -	5,711,268 (941,355)	6,268,539 -
(7,089,473)	(8,347,798)	(9,643,873)	(10,905,346)	(12,542,538)	(14,035,219)	(14,951,519)
22,596,971	27,719,582	27,027,749	30,927,529	35,289,371	34,312,050	39,103,748
260,889,740	283,486,711	311,206,293	338,234,042	369,161,571	404,450,942	438,762,992
<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>	<u>\$ 477,866,740</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	\$ 16,661,912 6,868,875 38,378,257
(7,089,473)	(8,347,798)	(9,643,873)	(10,905,346)	(12,542,538)	(14,035,219)	(14,951,519)
(132,486)	(199,970)	(133,140)	(180,015)	(216,792)	(238,847)	(245,647)
(6,921)	(6,007)	(5,193)	1,233	258,697	(1,669)	(5,745)
69,839	42,148,824	27,371,252	44,768,748	(18,819,360)	44,243,074	46,706,133
228,847,550	228,917,389	271,066,213	298,437,465	343,206,213	324,386,853	368,629,927
228,917,389	271,066,213	298,437,465	343,206,213	324,386,853	368,629,927	415,336,060
<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>	<u>\$ 62,530,680</u>
80.75%	87.10%	88.23%	92.97%	80.20%	84.02%	86.91%
\$ 62,831,331	\$ 68,196,291	\$ 74,016,219	\$ 73,961,425	\$ 81,831,666	\$ 90,070,764	\$ 98,126,784
86.85%	58.86%	53.77%	35.09%	97.84%	77.86%	63.72%

CITY OF ROUND ROCK, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION - LAST TEN FISCAL YEARS
SEPTEMBER 30, 2025

Texas Municipal Retirement System (TMRS) Plan
Schedule of Contributions

Fiscal year ended September 30,	2016	2017	2018
Actuarially Determined Contribution	\$ 8,507,987	\$ 8,897,294	\$ 9,582,199
Contributions in relation to the actuarially determined contribution	8,739,633	9,059,953	9,618,245
Contribution deficiency (excess)	<u>\$ (231,646)</u>	<u>\$ (162,659)</u>	<u>\$ (36,046)</u>
Covered employee payroll	\$ 54,924,766	\$ 57,346,696	\$ 61,743,107
Contributions as a percentage of covered employee payroll	15.91%	15.80%	15.58%

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	20 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

2019	2020	2021	2022	2023	2024	2025
\$ 10,313,421	\$ 10,806,103	\$ 11,542,600	\$ 12,658,167	\$ 14,190,981	\$ 16,069,816	\$ 17,711,498
10,377,168	10,635,298	11,865,291	12,729,994	13,927,874	16,299,740	17,927,382
<u>\$ (63,747)</u>	<u>\$ 170,805</u>	<u>\$ (322,691)</u>	<u>\$ (71,827)</u>	<u>\$ 263,107</u>	<u>\$ (229,924)</u>	<u>\$ (215,884)</u>
\$ 67,091,746	\$ 70,419,948	\$ 73,500,937	\$ 79,542,281	\$ 87,970,615	\$ 95,801,929	\$ 102,414,394
15.47%	15.10%	16.14%	16.00%	15.83%	17.01%	17.50%

CITY OF ROUND ROCK, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION - LAST EIGHT MEASUREMENT YEARS
SEPTEMBER 30, 2025
(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 employee 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 employee 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	2024
\$ 148,032	\$ 177,507	\$ 204,579	\$ 108,085	\$ 127,565
69,727	63,208	63,338	93,651	98,095
461,065	115,743	(1,322,164)	135,131	(151,266)
(42,783)	(49,160)	20,053	(527)	(28,353)
(14,803)	(36,981)	(40,916)	(54,042)	(58,876)
621,238	270,317	(1,075,110)	282,298	(12,835)
2,468,900	3,090,138	3,360,455	2,285,345	2,567,643
<u>\$ 3,090,138</u>	<u>\$ 3,360,455</u>	<u>\$ 2,285,345</u>	<u>\$ 2,567,643</u>	<u>\$ 2,554,808</u>
\$ 74,016,219	\$ 73,961,425	\$ 81,831,666	\$ 90,070,764	\$ 98,126,784
4.17%	4.54%	2.79%	2.85%	2.60%

2020	2021	2022	2023	2024
\$ 1,405,816	\$ 1,743,411	\$ 1,743,411	\$ 1,373,314	\$ 1,317,669
472,779	337,146	377,547	775,204	742,720
-	1,414,747	(2,275,360)	(446,469)	(233,970)
-	(756,790)	(113,031)	(2,191,053)	540,885
(711,164)	(861,044)	(709,355)	(543,027)	(1,356,252)
1,167,431	1,877,470	(976,788)	(1,032,031)	1,011,052
16,141,759	17,309,190	19,186,660	18,209,872	17,177,841
<u>\$ 17,309,190</u>	<u>\$ 19,186,660</u>	<u>\$ 18,209,872</u>	<u>\$ 17,177,841</u>	<u>\$ 18,188,893</u>
\$ 74,016,219	\$ 73,961,425	\$ 81,845,996	\$ 90,070,764	\$ 98,126,784
23.4%	25.9%	22.2%	19.1%	18.5%

CITY OF ROUND ROCK, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues -				
Taxes and franchise,				
including interest and penalties	\$ 141,412,400	\$ 141,412,400	\$ 141,852,591	\$ 440,191
Licenses, permits and fees	2,859,900	2,859,900	3,114,238	254,338
Charges for services	5,540,300	5,540,300	6,148,801	608,501
Fines and forfeitures	1,066,000	1,066,000	1,246,705	180,705
Intergovernmental	2,481,200	2,829,074	3,131,025	301,951
Investment and other	7,913,100	7,913,100	9,677,987	1,764,887
Total revenues	161,272,900	161,620,774	165,171,347	3,550,573
Expenditures -				
Current -				
General government	36,321,600	34,843,324	34,339,295	504,029
Public safety	84,602,500	85,943,873	92,869,524	(6,925,651)
Public works	24,068,000	24,285,261	22,427,987	1,857,274
Culture and recreation	24,177,700	24,445,217	22,901,087	1,544,130
Total expenditures	169,169,800	169,517,675	172,537,893	(3,020,218)
Excess (deficiency) of revenues				
over expenditures	(7,896,900)	(7,896,901)	(7,366,546)	530,355
Other financing sources (uses) -				
Issuance of debt/leases/SBITA	-	-	10,482,035	10,482,035
Transfers in	7,954,300	7,954,300	7,954,300	-
Transfers out	-	(10,500,000)	(10,781,500)	(281,500)
Total other financing sources (uses)	7,954,300	(2,545,700)	7,654,835	10,200,535
Net change in fund balances	\$ 57,400	\$ (10,442,601)	288,289	\$ 10,730,890
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			19,587	
Fund balance, October 1, 2024			74,200,618	
Fund balance, September 30, 2025			\$ 74,508,494	

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, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues -				
Sales tax	\$ 30,056,700	\$ 30,056,700	\$ 31,910,026	\$ 1,853,326
Intergovernmental	7,440,000	7,440,000	-	(7,440,000)
Contributions	18,890,300	18,890,300	17,982,356	(907,944)
Investment and other	6,241,000	6,241,000	7,563,895	1,322,895
Total revenues	62,628,000	62,628,000	57,456,277	(5,171,723)
Expenditures -				
Current -				
General government	3,494,200	3,494,200	4,842,909	(1,348,709)
Public works	678,300	678,300	551,728	126,572
Debt Service -				
Capital projects	116,518,500	116,518,500	108,435,355	8,083,145
Total expenditures	120,691,000	120,691,000	113,829,992	6,861,008
Excess (deficiency) of revenues over expenditures	(58,063,000)	(58,063,000)	(56,373,715)	1,689,285
Other financing sources (uses) -				
Transfers in	-	-	26,338,854	26,338,854
Transfers out	(10,064,600)	(10,064,600)	(8,077,686)	1,986,914
Total other financing sources (uses)	(10,064,600)	(10,064,600)	18,261,168	28,325,768
Net change in fund balances	<u>\$ (68,127,600)</u>	<u>\$ (68,127,600)</u>	(38,112,547)	<u>\$ 30,015,053</u>
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			36,047	
Fund balances, October 1, 2024			171,686,223	
Fund balance, September 30, 2025			<u>\$ 133,609,723</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, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues -				
Investment and other	\$ 170,000	\$ 170,000	\$ 351,102	\$ 181,102
Total revenues	170,000	170,000	351,102	181,102
Net change in fund balances	<u>\$ 170,000</u>	<u>\$ 170,000</u>	351,102	<u>\$ 181,102</u>
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			1,804	
Fund balances, October 1, 2024			<u>620,695</u>	
Fund balance, September 30, 2025			<u>\$ 973,601</u>	

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

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.

**CITY OF ROUND ROCK, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2025**

	Community Development Block Grant	Hotel-Motel Occupancy Tax	Hotel-Motel Occupancy Venue Tax	Innovation and Development
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables -				
Accounts and other	-	-	-	-
Grants	23,863	-	-	-
Prepaid items	-	-	-	-
Restricted assets -				
Cash and cash equivalents	-	2,851,805	3,332,679	446,501
Investments	-	4,290,283	7,734,156	1,036,554
Restricted accounts and other	-	881,184	287,084	15,368
Total assets	<u>\$ 23,863</u>	<u>\$ 8,023,272</u>	<u>\$ 11,353,919</u>	<u>\$ 1,498,423</u>
LIABILITIES AND FUND BALANCES				
Liabilities -				
Accounts payable	\$ 23,863	\$ 13,746	\$ 186,901	\$ -
Accrued payroll	-	50,060	124,730	-
Unearned revenue	-	-	-	-
Total liabilities	<u>23,863</u>	<u>63,806</u>	<u>311,631</u>	<u>-</u>
Fund balances -				
Nonspendable	-	-	-	-
Restricted - authorized construction	-	1,600,290	-	-
Restricted - hotel-motel tax	-	6,359,176	11,042,288	1,498,423
Restricted - public safety	-	-	-	-
Restricted - general government	-	-	-	-
Committed - capital projects funds	-	-	-	-
Assigned - culture and recreation	-	-	-	-
Total fund balances	<u>-</u>	<u>7,959,466</u>	<u>11,042,288</u>	<u>1,498,423</u>
Total liabilities and fund balances	<u>\$ 23,863</u>	<u>\$ 8,023,272</u>	<u>\$ 11,353,919</u>	<u>\$ 1,498,423</u>

Library and Recreational	Public Safety	Public Education & Government	Total Nonmajor Governmental Funds
\$ 2,599,787	\$ -	\$ -	\$ 2,599,787
6,031,936	-	-	6,031,936
35,629	-	-	35,629
-	-	-	23,863
-	33,976	-	33,976
-	367,469	512,763	7,511,217
-	853,078	1,190,380	15,104,451
-	4,744	6,761	1,195,141
<u>\$ 8,667,352</u>	<u>\$ 1,259,267</u>	<u>\$ 1,709,904</u>	<u>\$ 32,536,000</u>

\$ 70,374	\$ -	\$ 6,509	\$ 301,393
25,902	-	-	200,692
2,107,352	-	-	2,107,352
<u>2,203,628</u>	<u>-</u>	<u>6,509</u>	<u>2,609,437</u>
-	33,976	-	33,976
-	-	-	1,600,290
-	-	-	18,899,887
-	1,225,291	-	1,225,291
-	-	1,703,395	1,703,395
912,445	-	-	912,445
5,551,279	-	-	5,551,279
<u>6,463,724</u>	<u>1,259,267</u>	<u>1,703,395</u>	<u>29,926,563</u>
<u>\$ 8,667,352</u>	<u>\$ 1,259,267</u>	<u>\$ 1,709,904</u>	<u>\$ 32,536,000</u>

**CITY OF ROUND ROCK, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2025**

	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	-	-	2,394,009	-
Fines and forfeitures	-	-	-	-
Intergovernmental	501,051	-	-	9,560,087
Hotel occupancy tax	-	6,628,841	3,619,458	6,002,662
Contributions	-	-	-	-
Investment and other	-	488,576	398,728	113,151
Total revenues	<u>501,051</u>	<u>7,117,417</u>	<u>6,412,195</u>	<u>15,675,900</u>
Expenditures -				
Current -				
General government	317,452	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	3,154,992	3,580,636	10,741,281
Capital projects	183,599	1,961,314	81,225	-
Total expenditures	<u>501,051</u>	<u>5,116,306</u>	<u>3,661,861</u>	<u>10,741,281</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>2,001,111</u>	<u>2,750,334</u>	<u>4,934,619</u>
Other financing sources (uses) -				
Transfers in	-	977,935	-	-
Transfers out	<u>-</u>	<u>(4,534,752)</u>	<u>(2,489,900)</u>	<u>(4,940,680)</u>
Total other financing sources (uses)	<u>-</u>	<u>(3,556,817)</u>	<u>(2,489,900)</u>	<u>(4,940,680)</u>
Net change in fund balances	<u>-</u>	<u>(1,555,706)</u>	<u>260,434</u>	<u>(6,061)</u>
Fund balances, October 1, 2024	<u>-</u>	<u>9,515,172</u>	<u>10,781,854</u>	<u>1,504,484</u>
Fund balances, September 30, 2025	<u>\$ -</u>	<u>\$ 7,959,466</u>	<u>\$ 11,042,288</u>	<u>\$ 1,498,423</u>

Library and Recreational	Public Safety	Public Education & Government	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 122,495	\$ 122,495
821,513	-	-	821,513
1,029,692	-	-	3,423,701
-	273,725	-	273,725
-	-	-	10,061,138
-	-	-	16,250,961
4,678	-	-	4,678
313,501	53,171	61,989	1,429,116
2,169,384	326,896	184,484	32,387,327
-	-	61,128	378,580
-	56,675	-	56,675
1,315,376	-	-	18,792,285
180,984	82,339	-	2,489,461
1,496,360	139,014	61,128	21,717,001
673,024	187,882	123,356	10,670,326
675,000	-	-	1,652,935
-	-	-	(11,965,332)
675,000	-	-	(10,312,397)
1,348,024	187,882	123,356	357,929
5,115,700	1,071,385	1,580,039	29,568,634
\$ 6,463,724	\$ 1,259,267	\$ 1,703,395	\$ 29,926,563



**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, 2025
WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts				2024
	Original	Final	Actual	Variance	Actual
Revenues -					
Taxes and franchise -					
Property tax	\$ 63,064,400	\$ 63,064,400	\$ 63,324,263	\$ 259,863	\$ 56,761,147
Penalty and interest	89,000	89,000	163,456	74,456	127,122
Sales tax	69,348,000	69,348,000	69,348,000	-	69,348,000
Franchise	7,761,000	7,761,000	7,821,532	60,532	7,725,652
Bingo tax	50,000	50,000	50,048	48	51,246
Mixed drink tax	1,100,000	1,100,000	1,145,292	45,292	1,147,286
Total taxes and franchise	141,412,400	141,412,400	141,852,591	440,191	135,160,453
Licenses, permits and fees -					
Building permits	1,300,000	1,300,000	1,708,449	408,449	1,667,119
Other permits	8,000	8,000	8,127	127	7,780
Fees	1,551,900	1,551,900	1,397,662	(154,238)	945,687
Total licenses, permits, and fees	2,859,900	2,859,900	3,114,238	254,338	2,620,586
Charges for services -					
Trash collection fees	1,374,000	1,374,000	1,391,064	17,064	1,411,268
Swimming pool fees	1,652,000	1,652,000	1,678,926	26,926	1,684,296
Recreation program fees	2,339,000	2,339,000	2,785,039	446,039	2,827,520
Filing and reproduction fees	18,000	18,000	38,704	20,704	33,946
Other	157,300	157,300	255,068	97,768	206,381
Total charges for services	5,540,300	5,540,300	6,148,801	608,501	6,163,411
Fines and forfeitures	1,066,000	1,066,000	1,246,705	180,705	1,062,649
Grants	2,481,200	2,829,074	3,131,025	301,951	2,951,528
Investment and other -					
Investment income	2,600,000	2,600,000	3,766,554	1,166,554	3,022,336
Other	5,313,100	5,313,100	5,911,433	598,333	5,507,533
Total investment and other	7,913,100	7,913,100	9,677,987	1,764,887	8,529,869
Total revenues	161,272,900	161,620,774	165,171,347	3,550,573	156,488,496

CITY OF ROUND ROCK, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025
WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts				2024
	Original	Final	Actual	Variance	Actual
Expenditures -					
Current -					
General government					
Executive -					
Personnel services	\$ 21,324,700	\$ 19,376,163	\$ 18,270,135	\$ 1,106,028	\$ 17,197,795
Operations	13,509,100	13,887,700	14,654,073	(766,373)	14,134,199
Capital projects	75,000	75,000	74,999	1	28,290
Total executive	<u>34,908,800</u>	<u>33,338,863</u>	<u>32,999,207</u>	<u>339,656</u>	<u>31,360,284</u>
Judicial -					
Personnel services	1,330,200	1,346,861	1,178,882	167,979	1,172,630
Operations	82,600	157,600	161,206	(3,606)	80,285
Total judicial	<u>1,412,800</u>	<u>1,504,461</u>	<u>1,340,088</u>	<u>164,373</u>	<u>1,252,915</u>
Total general government	<u>36,321,600</u>	<u>34,843,324</u>	<u>34,339,295</u>	<u>504,029</u>	<u>32,613,199</u>
Public safety					
Police -					
Personnel services	40,178,900	40,836,699	40,836,698	1	38,169,196
Operations	5,969,400	5,949,800	11,641,629	(5,691,829)	5,095,483
Capital outlay	1,083,500	949,574	95,385	854,189	432,102
Total police	<u>47,231,800</u>	<u>47,736,073</u>	<u>52,573,712</u>	<u>(4,837,639)</u>	<u>43,696,781</u>
Fire -					
Personnel services	33,674,000	34,511,100	34,511,005	95	30,916,264
Operations	3,615,300	3,514,600	5,602,772	(2,088,172)	3,644,519
Capital outlay	81,400	182,100	182,035	65	118,392
Total fire	<u>37,370,700</u>	<u>38,207,800</u>	<u>40,295,812</u>	<u>(2,088,012)</u>	<u>34,679,175</u>
Total public safety	<u>84,602,500</u>	<u>85,943,873</u>	<u>92,869,524</u>	<u>(6,925,651)</u>	<u>78,375,956</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, 2025
WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance	2024
	Original	Final			Actual
Expenditures -					
Current -					
Public works					
Administration -					
Personnel services	\$ 7,069,300	\$ 7,196,159	\$ 6,935,406	\$ 260,753	\$ 6,639,110
Operations	5,507,300	5,507,300	4,916,739	590,561	3,391,183
Total administration	12,576,600	12,703,459	11,852,145	851,314	10,030,293
Streets -					
Personnel services	4,530,600	4,581,431	4,184,368	397,063	3,832,428
Operations	4,340,400	4,340,400	3,826,757	513,643	3,515,912
Total streets	8,871,000	8,921,831	8,011,125	910,706	7,348,340
Maintenance shop -					
Personnel services	2,258,600	2,298,171	2,212,442	85,729	2,033,155
Operations	339,800	339,800	339,050	750	312,409
Capital outlay	22,000	22,000	13,225	8,775	191,481
Total maintenance shop	2,620,400	2,659,971	2,564,717	95,254	2,537,045
Total public works	24,068,000	24,285,261	22,427,987	1,857,274	19,915,678

CITY OF ROUND ROCK, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025
WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts				2024
	Original	Final	Actual	Variance	Actual
Expenditures -					
Current -					
Culture and recreation					
Library -					
Personnel services	\$ 4,431,000	\$ 4,505,813	\$ 4,068,629	\$ 437,184	\$ 3,910,930
Operations	990,100	990,100	899,092	91,008	844,989
Total library	<u>5,421,100</u>	<u>5,495,913</u>	<u>4,967,721</u>	<u>528,192</u>	<u>4,755,919</u>
Parks and recreation -					
Personnel services	13,836,700	14,029,403	13,043,650	985,753	12,562,476
Operations	4,812,900	4,842,901	4,843,524	(623)	4,515,297
Culture-Parks-capital projects	<u>107,000</u>	<u>77,000</u>	<u>46,192</u>	<u>30,808</u>	<u>73,749</u>
Total parks and recreation	<u>18,756,600</u>	<u>18,949,304</u>	<u>17,933,366</u>	<u>1,015,938</u>	<u>17,151,522</u>
Total culture and recreation	<u>24,177,700</u>	<u>24,445,217</u>	<u>22,901,087</u>	<u>1,544,130</u>	<u>21,907,441</u>
Total expenditures	<u>169,169,800</u>	<u>169,517,675</u>	<u>172,537,893</u>	<u>(3,020,218)</u>	<u>152,812,274</u>
Excess (deficiency) of revenues over expenditures	<u>(7,896,900)</u>	<u>(7,896,901)</u>	<u>(7,366,546)</u>	<u>530,355</u>	<u>3,676,222</u>
Other financing sources (uses) -					
Issuance of debt/leases/SBITA	-	-	10,482,035	10,482,035	701,304
Transfers in	7,954,300	7,954,300	7,954,300	-	7,250,300
Transfers out	<u>-</u>	<u>(10,500,000)</u>	<u>(10,781,500)</u>	<u>(281,500)</u>	<u>(2,369,434)</u>
Total other financing sources (uses)	<u>7,954,300</u>	<u>(2,545,700)</u>	<u>7,654,835</u>	<u>10,200,535</u>	<u>5,582,170</u>
Net change in fund balances	<u>\$ 57,400</u>	<u>\$ (10,442,601)</u>	<u>288,289</u>	<u>\$ 10,730,890</u>	<u>9,258,392</u>
Reconciliation between budgetary basis actual and GAAP					
Increase (decrease) in fair value of investments			19,587		1,242,873
Fund Balance, October 1, 2024			<u>74,200,618</u>		<u>63,699,353</u>
Fund balance, September 30, 2025			<u>\$ 74,508,494</u>		<u>\$ 74,200,618</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, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues -				
Taxes and franchise	\$ 28,233,400	\$ 28,233,400	\$ 26,249,446	\$ (1,983,954)
Investment and other	50,000	50,000	754,827	704,827
Total revenues	28,283,400	28,283,400	27,004,273	(1,279,127)
Expenditures -				
Debt service -				
Principal retirement	20,965,000	20,965,000	21,670,000	(705,000)
Interest and fiscal charges	12,661,530	12,661,530	12,895,559	(234,029)
Total expenditures	33,626,530	33,626,530	34,565,559	(939,029)
Excess (deficiency) of revenues over expenditures	(5,343,130)	(5,343,130)	(7,561,286)	(2,218,156)
Other financing sources (uses) -				
Transfers in	6,884,729	6,884,729	6,882,124	(2,605)
Transfers out	-	-	(2,930,689)	(2,930,689)
Total other financing sources (uses)	6,884,729	6,884,729	3,951,435	(2,933,294)
Net change in fund balances	\$ 1,541,599	\$ 1,541,599	(3,609,851)	\$ (5,151,450)
Fund balance, October 1, 2024			5,421,856	
Fund balance, September 30, 2025			\$ 1,812,005	

**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, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues -				
Intergovernmental	\$ 1,237,926	\$ 1,237,926	\$ 501,051	\$ (736,875)
Total revenues	1,237,926	1,237,926	501,051	(736,875)
Expenditures -				
Current -				
General government-				
Operations	622,277	622,277	317,452	304,825
Capital projects	615,649	615,649	183,599	432,050
Total expenditures	1,237,926	1,237,926	501,051	736,875
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balance, October 1, 2024			-	
Fund balance, September 30, 2025			\$ -	

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, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues -				
Hotel occupancy tax	\$ 8,030,400	\$ 8,030,400	\$ 6,628,841	\$ (1,401,559)
Investment and other	383,400	383,400	486,248	102,848
Total revenues	8,413,800	8,413,800	7,115,089	(1,298,711)
Expenditures -				
Current -				
Culture and recreation-				
Personnel services	881,700	881,700	878,071	3,629
Operations	2,559,200	2,754,763	2,276,921	477,842
Capital projects	-	3,175,795	1,961,314	1,214,481
Total expenditures	3,440,900	6,812,258	5,116,306	1,695,952
Excess (deficiency) of revenues over expenditures	4,972,900	1,601,542	1,998,783	397,241
Other financing sources (uses) -				
Transfers in	700,000	700,000	977,935	277,935
Transfers out	(8,385,544)	(5,029,444)	(4,534,752)	494,692
Total other financing sources (uses)	(7,685,544)	(4,329,444)	(3,556,817)	772,627
Net change in fund balances	\$ (2,712,644)	\$ (2,727,902)	(1,558,034)	\$ 1,169,868
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			2,328	
Fund balance, October 1, 2024			9,515,172	
Fund balance, September 30, 2025			\$ 7,959,466	

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, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues -				
Charges for services	\$ 2,165,000	\$ 2,165,000	\$ 2,394,009	\$ 229,009
Hotel occupancy tax	3,960,700	3,960,700	3,619,458	(341,242)
Investment and other	260,000	260,000	396,477	136,477
Total revenues	6,385,700	6,385,700	6,409,944	24,244
Expenditures -				
Current -				
Culture and recreation-				
Personnel services	2,023,500	2,184,900	2,184,878	22
Operations	1,358,300	1,395,800	1,395,758	42
Capital projects	1,680,000	1,481,100	81,225	1,399,875
Total expenditures	5,061,800	5,061,800	3,661,861	1,399,939
Excess (deficiency) of revenues over expenditures	1,323,900	1,323,900	2,748,083	1,424,183
Other financing sources (uses) -				
Transfers in	700,000	-	-	-
Transfers out	(3,189,900)	(3,189,900)	(2,489,900)	700,000
Total other financing sources (uses)	(2,489,900)	(3,189,900)	(2,489,900)	700,000
Net change in fund balances	\$ (1,166,000)	\$ (1,866,000)	258,183	\$ 2,124,183
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			2,251	
Fund balance, October 1, 2024			10,781,854	
Fund balance, September 30, 2025			\$ 11,042,288	

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, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues -				
Intergovernmental	\$ 9,790,603	\$ 9,790,603	\$ 9,560,087	\$ (230,516)
Hotel occupancy tax	6,131,954	6,131,954	6,002,662	(129,292)
Investment and other	60,000	60,000	113,151	53,151
Total revenues	15,982,557	15,982,557	15,675,900	(306,657)
Expenditures -				
Current -				
General Government -				
Operations	11,072,925	11,072,925	10,741,281	331,644
Total expenditures	11,072,925	11,072,925	10,741,281	331,644
Excess (deficiency) of revenues over expenditures	4,909,632	4,909,632	4,934,619	24,987
Other financing sources (uses) -				
Transfers out	(4,940,680)	(4,940,680)	(4,940,680)	-
Total other financing sources (uses)	(4,940,680)	(4,940,680)	(4,940,680)	-
Net change in fund balances	\$ (31,048)	\$ (31,048)	(6,061)	\$ 24,987
Fund balance, October 1, 2024			1,504,484	
Fund balance, September 30, 2025			\$ 1,498,423	

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, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues -				
Licenses, permits and fees	\$ 100,000	\$ 100,000	\$ 821,513	\$ 721,513
Charges for services	822,300	822,300	1,029,692	207,392
Contributions	176,500	176,500	4,678	(171,822)
Investment and other	175,500	175,500	311,707	136,207
Total revenues	1,274,300	1,274,300	2,167,590	893,290
Expenditures -				
Current-				
Culture and recreation-				
Personnel services	648,100	682,500	514,891	167,609
Operations	2,120,757	2,120,757	800,485	1,320,272
Capital projects	250,000	421,556	180,984	240,572
Total culture and recreation	3,018,857	3,224,813	1,496,360	1,728,453
Total expenditures	3,018,857	3,224,813	1,496,360	1,728,453
Excess (deficiency) of revenues over expenditures	(1,744,557)	(1,950,513)	671,230	2,621,743
Other financing sources (uses) -				
Transfers in	675,000	675,000	675,000	-
Total other financing sources (uses)	675,000	675,000	675,000	-
Net change in fund balances	\$ (1,069,557)	\$ (1,275,513)	1,346,230	\$ 2,621,743
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			1,794	
Fund balance, October 1, 2024			5,115,700	
Fund balance, September 30, 2025			\$ 6,463,724	

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, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues -				
Fines and forfeitures	\$ 86,000	\$ 86,000	\$ 273,725	\$ 187,725
Investment and other	16,550	86,126	51,172	(34,954)
Total revenues	102,550	172,126	324,897	152,771
Expenditures -				
Current-				
Public safety-				
Operations	721,931	721,931	56,675	665,256
Capital projects	116,700	186,276	82,339	103,937
Total expenditures	838,631	908,207	139,014	769,193
Net change in fund balances	<u>\$ (736,081)</u>	<u>\$ (736,081)</u>	185,883	<u>\$ 921,964</u>
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			1,999	
Fund balance, October 1, 2024			<u>1,071,385</u>	
Fund balance, September 30, 2025			<u>\$ 1,259,267</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, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues -				
Taxes and franchise	\$ 150,000	\$ 150,000	\$ 122,495	\$ (27,505)
Investment and other	35,000	35,000	61,637	26,637
Total revenues	185,000	185,000	184,132	(868)
Expenditures -				
Current -				
General Government-				
Operations	80,000	80,000	61,128	18,872
Total expenditures	80,000	80,000	61,128	18,872
Net change in fund balances	<u>\$ 105,000</u>	<u>\$ 105,000</u>	123,004	<u>\$ 18,004</u>
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			352	
Fund balance, October 1, 2024			<u>1,580,039</u>	
Fund balance, September 30, 2025			<u>\$ 1,703,395</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)

	2016	2017	2018	2019
Governmental activities-				
Net investment in capital assets	\$ 310,185,706	\$ 356,586,425	\$ 373,007,353	\$ 400,490,136
Restricted	51,813,118	48,954,352	48,357,161	44,334,128
Unrestricted	52,451,939	29,054,168	28,585,838	28,918,565
Total governmental activities net position	<u>\$ 414,450,763</u>	<u>\$ 434,594,945</u>	<u>\$ 449,950,352</u>	<u>\$ 473,742,829</u>
Business-type activities-				
Net investment in capital assets	\$ 234,981,264	\$ 245,005,044	\$ 268,467,171	\$ 283,846,141
Restricted	15,275,659	19,800,722	22,628,600	24,343,881
Unrestricted	126,490,054	126,634,362	138,980,320	146,681,470
Total business-type activities net position	<u>\$ 376,746,977</u>	<u>\$ 391,440,128</u>	<u>\$ 430,076,091</u>	<u>\$ 454,871,492</u>
Primary government-				
Net investment in capital assets	\$ 545,166,970	\$ 601,591,469	\$ 641,474,524	\$ 684,336,277
Restricted	67,088,777	68,755,074	70,985,761	68,678,009
Unrestricted	178,941,993	155,688,530	167,566,158	175,600,035
Total primary government net position	<u>\$ 791,197,740</u>	<u>\$ 826,035,073</u>	<u>\$ 880,026,443</u>	<u>\$ 928,614,321</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.

2020	2021	2022	2023	2024	2025
\$ 442,969,195	\$ 432,348,991	\$ 402,903,584	\$ 461,228,728	\$ 499,732,191	\$ 582,858,078
23,471,549	92,772,878	132,351,451	186,392,436	174,686,345	155,739,198
33,581,912	13,728,700	68,809,157	25,817,240	60,004,524	67,075,163
<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>	<u>\$ 805,672,439</u>
\$ 294,760,377	\$ 310,014,313	\$ 333,196,242	\$ 361,729,550	\$ 389,534,428	\$ 441,526,983
16,315,836	11,750,401	13,866,060	10,427,716	10,326,824	9,980,950
168,868,607	179,998,306	186,396,785	201,529,190	210,847,662	206,308,557
<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>	<u>\$ 657,816,490</u>
\$ 737,729,572	\$ 742,363,304	\$ 736,099,826	\$ 822,958,278	\$ 889,266,619	\$ 1,024,385,061
39,787,385	104,523,279	146,217,511	196,820,152	185,013,169	165,720,148
202,450,519	193,727,006	255,205,942	227,346,430	270,852,186	273,383,720
<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>	<u>\$ 1,463,488,929</u>

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

	2016	2017	2018	2019
Expenses:				
Governmental activities-				
General government	\$ 28,434,006	\$ 24,864,772	\$ 23,408,887	\$ 27,861,595
Public safety	49,439,902	52,243,460	57,987,997	64,196,001
Public works	33,448,357	34,359,785	47,120,999	36,261,500
Culture and recreation	20,885,009	24,130,067	25,218,145	27,821,410
Interest on long-term debt	8,294,279	8,075,351	8,415,687	8,525,551
Total governmental activities expenses	<u>140,501,553</u>	<u>143,673,435</u>	<u>162,151,715</u>	<u>164,666,057</u>
Business-type activities-				
Water and wastewater utility	47,947,818	49,400,833	51,749,727	54,388,260
Golf course	133,270	1,857,334	1,642,036	2,399,582
Total business-type activities expenses	<u>48,081,088</u>	<u>51,258,167</u>	<u>53,391,763</u>	<u>56,787,842</u>
Total primary government expenses	<u>188,582,641</u>	<u>194,931,602</u>	<u>215,543,478</u>	<u>221,453,899</u>
Program revenues:				
Governmental activities-				
Charges for services-				
General government	2,258,333	19,778,439	2,273,091	3,189,150
Public safety	1,669,550	1,478,161	1,762,172	2,298,635
Public works	742,437	607,398	693,223	1,347,815
Culture and recreation	3,919,254	5,133,816	5,489,515	5,649,283
Operating grants and contributions	946,604	1,202,810	2,574,008	2,987,128
Capital grants and contributions	8,013,039	5,958,205	18,206,390	9,914,802
Total governmental activities program revenues	<u>17,549,217</u>	<u>34,158,829</u>	<u>30,998,399</u>	<u>25,386,813</u>
Business-type activities-				
Charges for services-				
Water and wastewater utility	48,653,788	51,980,615	55,139,117	56,951,931
Golf course	360,371	733,883	299,761	1,971,887
Capital grants and contributions	19,607,086	15,642,381	30,495,633	21,584,780
Total business-type activities program revenues	<u>68,621,245</u>	<u>68,356,879</u>	<u>85,934,511</u>	<u>80,508,598</u>
Total primary government program revenues	<u>86,170,462</u>	<u>102,515,708</u>	<u>116,932,910</u>	<u>105,895,411</u>
Net (expense) revenue-				
Governmental activities	(122,952,336)	(109,514,606)	(131,153,316)	(139,279,244)
Business-type activities	20,540,157	17,098,712	32,542,748	23,720,756
Total primary government net expense	<u>(102,412,179)</u>	<u>(92,415,894)</u>	<u>(98,610,568)</u>	<u>(115,558,488)</u>

	2020	2021	2022	2023	2024	2025
\$	27,467,722	\$ 35,906,343	\$ 41,210,815	\$ 48,259,094	\$ 48,573,651	\$ 54,391,829
	64,151,715	64,975,588	67,534,584	78,793,508	85,295,488	91,088,679
	38,606,348	43,588,532	40,067,607	46,224,524	47,492,344	50,684,509
	26,355,801	26,874,261	30,667,820	34,898,867	39,499,859	39,865,413
	9,382,120	10,264,036	11,292,992	11,000,425	11,366,844	13,037,969
	<u>165,963,706</u>	<u>181,608,760</u>	<u>190,773,818</u>	<u>219,176,418</u>	<u>232,228,186</u>	<u>249,068,399</u>
	53,999,588	58,063,832	63,886,112	68,229,079	75,163,447	-
	2,818,489	3,699,848	4,290,895	4,104,094	4,390,104	4,184,836
	<u>56,818,077</u>	<u>61,763,680</u>	<u>68,177,007</u>	<u>72,333,173</u>	<u>79,553,551</u>	<u>4,184,836</u>
	<u>222,781,783</u>	<u>243,372,440</u>	<u>258,950,825</u>	<u>291,509,591</u>	<u>311,781,737</u>	<u>253,253,235</u>
	4,529,682	2,824,567	2,962,085	3,619,177	3,596,694	3,581,349
	1,684,921	1,396,999	1,705,859	1,626,659	1,494,261	2,000,227
	700,442	970,763	873,899	1,874,377	427,679	1,437,410
	4,082,796	5,807,940	6,544,740	7,318,494	7,824,051	8,009,697
	3,742,160	4,261,827	4,802,100	4,949,732	4,045,133	3,634,828
	9,464,089	10,054,791	23,442,401	27,815,280	22,420,807	40,275,957
	<u>24,204,090</u>	<u>25,316,887</u>	<u>40,331,084</u>	<u>47,203,719</u>	<u>39,808,625</u>	<u>58,939,468</u>
	60,811,441	60,618,367	67,172,508	68,399,789	65,567,096	-
	2,684,066	3,506,792	3,920,614	3,765,883	4,259,813	4,675,666
	18,443,560	22,288,498	34,040,331	38,995,646	40,899,755	56,711,048
	<u>81,939,067</u>	<u>86,413,657</u>	<u>105,133,453</u>	<u>111,161,318</u>	<u>110,726,664</u>	<u>61,386,714</u>
	<u>106,143,157</u>	<u>111,730,544</u>	<u>145,464,537</u>	<u>158,365,037</u>	<u>150,535,289</u>	<u>120,326,182</u>
	(141,759,616)	(156,291,873)	(150,442,734)	(171,972,699)	(192,419,561)	(190,128,931)
	25,120,990	24,649,977	36,956,446	38,828,145	31,173,113	57,201,878
	<u>(116,638,626)</u>	<u>(131,641,896)</u>	<u>(113,486,288)</u>	<u>(133,144,554)</u>	<u>(161,246,448)</u>	<u>(132,927,053)</u>

(CONTINUED)

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

	2016	2017	2018	2019
General revenues and other changes in net position:				
Governmental activities-				
Taxes-				
Property	\$ 44,239,067	\$ 49,107,424	\$ 54,082,288	\$ 57,396,623
Franchise	7,175,948	7,103,548	7,140,940	7,407,178
Sales	67,340,120	64,209,719	72,861,565	75,690,767
Hotel occupancy	5,407,667	5,515,163	5,714,235	6,000,447
Public service	566,712	627,164	647,243	697,835
Investment earnings and other	7,957,942	8,201,944	9,024,223	12,180,534
Transfers	3,610,000	3,492,871	(2,961,771)	3,698,337
Total governmental activities	<u>136,297,456</u>	<u>138,257,833</u>	<u>146,508,723</u>	<u>163,071,721</u>
Business-type activities-				
Miscellaneous				
Investment earnings and other	1,214,674	2,289,777	3,131,444	4,772,982
Transfers	<u>(3,610,000)</u>	<u>(3,492,871)</u>	<u>2,961,771</u>	<u>(3,698,337)</u>
Total business-type activities	<u>(2,395,326)</u>	<u>(1,203,094)</u>	<u>6,093,215</u>	<u>1,074,645</u>
Total primary government	<u>133,902,130</u>	<u>137,054,739</u>	<u>152,601,938</u>	<u>164,146,366</u>
Change in net position:				
Governmental activities	13,345,120	28,743,227	15,355,407	23,792,477
Business-type activities	<u>18,144,831</u>	<u>15,895,618</u>	<u>38,635,963</u>	<u>24,795,401</u>
Total primary government	<u>\$ 31,489,951</u>	<u>\$ 44,638,845</u>	<u>\$ 53,991,370</u>	<u>\$ 48,587,878</u>

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 64,744,623	\$ 68,187,362	\$ 70,551,060	\$ 74,006,361	\$ 81,719,209	\$ 89,686,684
7,060,026	6,808,434	7,429,827	8,017,834	7,868,254	7,944,027
78,361,955	90,406,552	104,397,185	104,713,662	103,711,976	117,537,885
4,111,858	11,003,127	15,128,191	17,048,182	16,927,611	16,267,328
620,996	867,626	1,020,842	1,157,865	1,198,532	1,195,340
9,081,735	12,650,685	11,176,195	31,393,569	36,093,335	31,951,622
4,058,250	5,196,000	5,355,000	5,605,000	5,885,300	6,151,300
<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>	<u>270,734,186</u>
					-
4,010,588	2,364,223	94,621	7,004,224	11,734,645	5,854,922
<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>(6,151,300)</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>(296,378)</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>	<u>270,437,808</u>
26,279,827	38,827,913	64,615,566	69,969,774	60,984,656	80,605,255
<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>48,430,060</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>	<u>\$ 129,035,315</u>

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Nonspendable-</i>				
Inventories, prepaids and other	\$ 372,288	\$ 232,004	\$ 253,592	\$ 226,190
<i>Restricted for-</i>				
Debt service	2,749,645	3,880,982	4,853,517	5,019,375
Authorized construction	77,545,478	81,086,426	62,649,029	72,690,649
Hotel-motel tax	12,653,710	6,526,672	7,863,705	6,807,382
Public safety	676,724	585,878	750,657	1,025,501
General government	-	1,269,075	1,268,233	1,439,377
<i>Committed to-</i>				
General government	1,081,159	124,703	232,243	883,883
Capital projects funds	24,865,777	28,397,665	21,934,876	28,971,259
Streets and drainage	1,152,195	-	-	-
Culture and recreation	293,694	-	-	-
<i>Assigned to-</i>				
Culture and recreation	212,080	1,004,583	1,274,658	1,638,534
<i>Unassigned</i>	<u>52,427,796</u>	<u>50,090,080</u>	<u>53,558,920</u>	<u>49,498,684</u>
Total governmental funds	<u>\$ 174,030,546</u>	<u>\$ 173,198,068</u>	<u>\$ 154,639,430</u>	<u>\$ 168,200,834</u>

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 1,094,653	\$ 1,783,208	\$ 404,179	\$ 930,720	\$ 406,099	\$ 3,680,993
5,080,091	7,901,595	7,041,411	6,492,541	7,804,285	4,194,434
58,069,777	124,312,278	171,116,800	160,664,737	181,119,801	162,939,232
7,440,558	10,222,462	15,269,909	19,061,932	18,531,461	18,899,887
757,284	735,896	887,046	918,100	1,071,385	1,225,291
1,401,931	1,433,730	1,472,144	1,637,555	1,580,039	1,703,395
1,030,812	881,812	1,077,519	1,198,346	1,343,048	-
23,259,722	41,256,494	63,546,738	49,633,658	52,617,062	61,417,767
-	-	-	-	-	-
-	1,483,055	1,483,055	1,483,055	1,483,055	-
1,834,073	2,496,916	3,852,615	4,022,080	2,989,436	5,551,279
59,547,303	58,913,029	48,267,275	63,341,210	73,794,519	73,741,726
<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>	<u>\$ 333,354,004</u>

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

	2016	2017	2018	2019
Revenues-				
Taxes and franchise	\$ 119,211,433	\$ 121,142,245	\$ 134,637,978	\$ 141,150,180
Licenses, permits and fees	1,843,633	1,646,077	2,037,211	2,703,240
Charges for services	5,172,465	6,307,377	6,563,868	6,916,463
Fines and forfeitures	1,573,476	1,440,795	1,616,922	2,153,309
Intergovernmental	990,683	2,950,833	9,511,022	3,822,463
Hotel occupancy tax	5,407,667	5,515,163	5,714,235	6,000,447
Investment and other	368,748	931,601	2,335,783	4,670,671
Contributions	7,963,854	8,253,614	9,260,526	12,728,177
Total revenues	<u>142,531,959</u>	<u>148,187,705</u>	<u>171,677,545</u>	<u>180,144,950</u>
Expenditures-				
General government	24,394,392	21,055,932	23,744,730	22,423,018
Public safety	44,388,881	47,595,884	52,839,347	56,063,867
Public works	12,062,839	12,682,503	14,748,037	15,077,947
Culture and recreation	15,078,964	17,219,700	18,513,216	20,213,897
Capital projects	65,414,999	63,268,686	59,809,511	90,837,258
Debt service-				
Principal retirement	13,463,922	13,287,160	14,325,970	17,792,363
Interest and fiscal charges	9,641,498	8,306,767	9,244,645	8,616,675
Payment to refunding agent	-	10,050,443	-	13,758,972
Other charges	229,245	423,510	-	967,009
Total expenditures	<u>184,674,740</u>	<u>193,890,585</u>	<u>193,225,456</u>	<u>245,751,006</u>
Excess of revenues over (under) expenditures	<u>(42,142,781)</u>	<u>(45,702,880)</u>	<u>(21,547,911)</u>	<u>(65,606,056)</u>
Other financing sources (uses)-				
Issuance of lease (1)	2,250,000	-	5,981,044	2,900,000
Issuance of debt	11,450,000	38,725,000	-	67,685,000
Premium on bonds issued	1,094,690	2,652,531	-	4,884,123
Payment to refunded bond escrow agent	(12,309,895)	-	-	-
Transfers in	30,552,126	31,908,470	22,678,818	42,110,430
Transfers out	(26,942,126)	(28,415,599)	(25,640,589)	(38,412,093)
Total other financing sources (uses)	<u>6,094,795</u>	<u>44,870,402</u>	<u>3,019,273</u>	<u>79,167,460</u>
Net change in fund balances	<u>\$ (36,047,986)</u>	<u>\$ (832,478)</u>	<u>\$ (18,528,638)</u>	<u>\$ 13,561,404</u>
Capital outlay including amounts reported under departmental current expenditures	\$ 65,116,395	\$ 90,020,515	\$ 46,896,225	\$ 87,242,801
Debt service as a percentage of noncapital expenditures	19.3%	20.8%	16.1%	16.7%

(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.

2020	2021	2022	2023	2024	2025
\$ 150,717,481	\$ 166,252,010	\$ 183,162,281	\$ 188,219,454	\$ 200,938,298	\$ 213,976,377
1,834,311	2,543,143	2,959,342	4,443,231	2,721,325	3,935,751
5,274,975	7,092,585	7,929,787	8,749,122	9,384,978	9,572,502
1,623,976	1,152,990	1,380,898	1,246,354	1,236,382	1,520,430
5,540,163	11,400,907	24,816,402	20,188,481	13,461,703	13,968,603
4,111,858	11,003,127	15,128,191	17,048,182	16,927,611	16,250,961
9,165,467	7,261,313	2,778,909	21,244,232	26,200,867	23,855,455
3,336,036	2,338,936	3,285,315	7,880,970	7,306,731	17,987,034
181,604,267	209,045,011	241,441,125	269,020,026	278,177,895	301,067,113
24,841,662	31,324,914	35,377,631	39,592,677	44,587,914	40,177,056
56,494,602	59,445,458	64,353,318	71,658,737	79,580,289	94,349,862
17,290,725	16,946,664	19,056,273	19,383,569	20,342,252	23,033,058
19,022,847	19,931,144	24,017,708	26,620,493	29,439,138	41,805,622
82,350,573	47,540,721	87,575,761	85,953,520	89,783,294	208,164,659
18,296,526	20,148,502	19,650,222	24,867,905	24,666,863	21,670,000
10,243,591	10,367,705	12,133,701	12,237,746	11,206,001	13,258,503
7,010,563	-	-	-	-	-
276,058	1,225,607	1,512,308	-	730,985	514,947
235,827,147	206,930,715	263,676,922	280,314,647	300,336,736	442,973,707
(54,222,880)	2,114,296	(22,235,797)	(11,294,621)	(22,158,841)	(141,906,594)
-	-	-	-	-	-
41,480,000	84,040,000	156,315,000	-	47,425,562	122,397,035
-	7,036,650	2,642,581	-	2,204,235	3,972,073
-	(6,482,675)	(79,078,568)	-	-	-
39,495,337	75,973,539	70,036,965	43,448,957	82,379,430	64,292,607
(35,437,087)	(70,777,539)	(64,681,965)	(37,189,093)	(76,494,130)	(58,141,307)
45,538,250	89,789,975	85,234,013	6,259,864	55,515,097	132,520,408
\$ (8,684,630)	\$ 91,904,271	\$ 62,998,216	\$ (5,034,757)	\$ 33,356,256	\$ (9,386,186)
\$ 80,820,915	\$ 40,870,035	\$ 86,316,796	\$ 90,130,318	\$ 94,451,327	\$ 220,521,895
18.4%	18.4%	17.9%	19.5%	17.4%	16.3%

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	
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
2025	25,001,604,774	1,834,256,565	26,835,861,339	1,537,623,785	25,298,237,554	0.3600

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	
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
2025	0.2546	0.1054	0.3600	0.8931	0.4000	0.1183	1.7714

Source: Williamson County Tax Office

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

Name of Taxpayer	2025			2016		
	Net Assessed Valuation	Rank	% of Total Net Assessed Valuation	Net Assessed Valuation	Rank	% of Total Net Assessed Valuation
Kalahari Resorts and Conventions	\$ 547,781,857	1	2.165 %	\$ -		- %
Dell Computer Holdings, LP	468,507,383	2	1.852	298,169,512	1	2.842
CPG Round Rock, LP/ Round Rock Premium Outlets	163,676,741	3	0.647	138,431,301	2	1.319
Texas Essential Housing Public Facility Corporation	151,075,978	4	0.597	-		-
CMF 15 Portfolio, LLC/ Colonial Grand Apartments	144,451,852	5	0.571	68,819,574	5	0.656
Dell Computer Corp.	141,838,661	6	0.561	91,256,835	3	0.870
Columbia/St. David Healthcare	119,621,932	7	0.473	66,533,660	6	0.634
Oncor Electric Delivery Co.	92,928,538	8	0.367	43,815,195	10	0.418
2811 La Frontera LP/ Griffis Apartments	89,587,767	9	0.354	-		-
TMP Parkside Project, LLC/ Parkside at Round Rock	87,990,045	10	0.348	-		-
Baltgem Development Corp./ La Frontera Village	-		-	77,884,064	4	0.742
Fisher-Rosemount Systems, Inc./ Emerson Process Management	-		-	49,000,000	7	0.467
Baev-LaSall Round Rock University Blvd, LLC	-		-	48,382,842	8	0.461
Las Brisas Luxury Apartment Homes LLP	-		-	43,921,785	9	0.419
	<u>\$ 2,007,460,754</u>		<u>7.935 %</u>	<u>\$ 926,214,768</u>		<u>8.828 %</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			
2016	\$ 44,063,923	\$ 43,894,949	99.62 %	\$ 1,386	\$ 43,896,335	99.62 %
2017	49,113,540	48,988,540	99.75	2,549	48,991,089	99.75
2018	53,890,399	53,775,618	99.79	3,100	53,778,718	99.79
2019	57,296,592	57,106,114	99.67	2,526	57,108,640	99.67
2020	64,708,293	64,443,984	99.59	2,253	64,446,237	99.60
2021	68,133,164	67,922,644	99.69	2,616	67,925,260	99.69
2022	70,241,994	70,033,185	99.70	(20,528)	70,012,657	99.67
2023	74,262,463	74,016,437	99.67	(157,420)	73,859,017	99.46
2024	82,116,022	81,754,170	99.56	(674,083)	81,080,087	98.74
2025	90,575,785	90,283,507	99.68	-	90,283,507	99.68

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

Fiscal Year	Total 1% Sales Tax Collected	Ad Valorem Tax Levy	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Population	1% Sales Tax Per Capita
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
2025	65,039,072	90,575,785	71.81	0.2571	139,436	466

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
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	2,266,709,722	1,015,127,456	948,686,397	314,327,473	61,761,524
2024	<u>2,180,044,618</u>	<u>1,042,339,984</u>	<u>1,088,818,878</u>	<u>313,149,204</u>	<u>57,092,184</u>
	<u>\$ 18,887,848,787</u>	<u>\$ 10,244,088,254</u>	<u>\$ 7,033,749,097</u>	<u>\$ 2,169,103,334</u>	<u>\$ 441,534,100</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
\$	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
	162,739,241	3,499,440	4,847,683,549	2.00	6.25	8.25
<u>\$</u>	<u>1,589,172,416</u>	<u>\$ 29,708,713</u>	<u>\$ 40,395,204,701</u>			

CITY OF ROUND ROCK, TEXAS
HOTEL TAXPAYERS
YEAR ENDED SEPTEMBER 30, 2025
(cash basis of accounting)

Taxpayer	Hotel Motel Occupancy Tax	Hotel Motel Occupancy Venue Tax	Total Collections Year Ended Sept. 30, 2025	Number of Rooms	% of Total Collections
Kalahari Resorts & Conventions	\$ 6,263,010	\$ 1,789,432	\$ 8,052,442	975	49.63 %
Austin Marriott North	743,253	212,517	955,770	295	5.89
Embassy Suites	610,983	176,330	787,313	180	4.85
Hyatt Place	316,429	91,183	407,612	138	2.51
Homewood Suites	256,560	73,303	329,863	115	2.03
Home2 Suites North	245,633	70,302	315,935	119	1.95
Element	229,858	66,337	296,195	123	1.83
Hilton Garden Inn	228,872	66,052	294,924	122	1.82
La Quinta East	215,116	61,462	276,578	99	1.70
Courtyard Marriott	199,205	56,983	256,188	113	1.58
Towneplace Suites	194,203	55,487	249,690	102	1.54
Aloft	187,318	54,060	241,378	120	1.49
Hampton Inn	182,516	52,147	234,663	93	1.45
Springhill Suites	180,959	52,047	233,006	104	1.44
Home2 Suites South	177,049	50,585	227,634	91	1.40
Holiday Inn Express North	159,817	46,123	205,940	109	1.27
Tru by Hilton	159,163	45,776	204,939	98	1.26
AVID	148,277	42,756	191,033	89	1.18
Holiday Inn Express South	141,339	40,751	182,090	91	1.12
Wingate Inn	133,353	38,453	171,806	100	1.06
Ruby Hotel	132,814	38,240	171,054	39	1.05
Holiday Inn	130,998	37,682	168,680	116	1.04
La Quinta North	129,719	37,385	167,104	116	1.03
Residence Inn	122,411	34,997	157,408	96	0.97
Staybridge	119,526	34,451	153,977	81	0.95
La Quinta South	117,436	33,892	151,328	86	0.93
Microtel	100,696	29,061	129,757	82	0.80
Days Inn	91,359	26,366	117,725	68	0.73
Sleep Inn	86,736	25,032	111,768	74	0.69
Short Term Rentals	82,162	23,643	105,805	93	0.65
Spark by Hilton	61,011	17,608	78,619	63	0.48
Quality Inn	59,822	17,092	76,914	49	0.47
Country Inn	57,076	16,307	73,383	61	0.45
Candlewood Suites	55,590	16,043	71,633	98	0.44
Extended Stay America #6197	54,272	15,506	69,778	104	0.43
Extended Stay America #6030	52,060	14,874	66,934	138	0.41
Motel 6	51,025	14,726	65,751	60	0.41
Woodspring Suites South	48,004	13,854	61,858	122	0.38
Red Roof Inn	45,999	13,275	59,274	107	0.37
Woodspring Suites North	40,337	11,525	51,862	121	0.32
	<u>\$ 12,611,966</u>	<u>\$ 3,613,645</u>	<u>\$ 16,225,611</u>	<u>5,050</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
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
2025	3,472,656	2,745,548	4,975,452	5,031,956	16,225,612

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
2024	158,870,000	155,955,000	111,357,951	61,125,710	487,308,661	5.03	3,666
2025	237,350,000	168,580,000	116,214,585	56,970,341	579,114,926	*	4,153

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

Other Debt Obligations include Limited Tax Notes, Hotel Tax Revenues Bonds, Sales Tax Revenue Bonds, State Infrastructure Bank Loan, Excess Sales Tax Liability, Leases, Subscriptions, and net deferred issuance costs.

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

*Personal Income data was not available when the 2025 ACFR was prepared.

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
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	314,626,851	4,110,112	310,516,739	1.43	2,408
2024	132,927	24,052,056	342,752,674	5,421,856	337,330,818	1.40	2,538
2025	139,436	25,298,238	438,012,929	1,812,005	436,200,924	1.72	3,128

* Source: Planning Department, City of Round Rock

Note: Includes Certificates of Obligation, General Obligation Bonds, Limited Tax Notes, and Notes Payable net of related premiums and discounts.

CITY OF ROUND ROCK, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
YEAR ENDED SEPTEMBER 30, 2025

Name of Governmental Unit	Total General Debt Outstanding*	Estimated Percentage Applicable**	Estimated Share of Overlapping Debt
Debt repaid with property taxes-			
Williamson County	\$ 1,422,205,000	17.25 %	\$ 245,330,363
Round Rock Independent School District	911,250,000	38.41	350,011,125
Round Rock MUD #1	22,325,000	100.00	22,325,000
Round Rock MUD #2	19,625,000	100.00	19,625,000
Travis County	1,169,850,000	0.23	2,690,655
Austin Community College	657,685,000	6.03	39,658,406
Georgetown ISD	1,107,370,000	1.31	14,506,547
Pflugerville ISD	678,530,000	0.24	1,628,472
Travis County Healthcare District	157,670,000	0.23	362,641
Upper Brushy Creek WICD	48,465,000	27.43	13,293,950
Avery Centre Road District	9,340,000	100.00	<u>9,340,000</u>
Subtotal, overlapping debt			718,772,159
City direct debt			<u>522,144,585</u>
Total direct and overlapping debt			<u><u>\$ 1,240,916,744</u></u>

* Gross Debt as of September 30, 2025

** 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**

	2016	2017	2018	2019
Debt limit	\$ 1,786,728,268	\$ 1,928,938,196	\$ 2,120,343,710	\$ 2,315,885,331
Total net debt applicable to limit	<u>170,530,355</u>	<u>193,049,018</u>	<u>183,486,483</u>	<u>205,255,625</u>
Legal debt margin	<u>\$ 1,616,197,913</u>	<u>\$ 1,735,889,178</u>	<u>\$ 1,936,857,227</u>	<u>\$ 2,110,629,706</u>
Total net debt applicable to the limit as a percentage of debt limit	9.54%	10.01%	8.65%	8.86%

Legal Debt Margin Calculation for Fiscal Year 2025

Total assessed value	<u>\$ 25,298,237,554</u>
Debt limit - maximum serviceable at permitted allocation of \$1.50 per \$100 of assessed value	\$ 4,308,111,513
Amount of debt applicable to debt limit: Total General Obligation Debt	\$ 430,168,392
Less: Amount available in Debt Service Fund	<u>(1,812,005)</u>
Total net debt applicable to debt limit	<u>428,356,387</u>
Legal debt margin	<u>\$ 3,879,755,126</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, 2024, assessed valuation of \$25,298,237,554 at 100% collection, tax revenue of \$379,473,563 would be produced. This revenue could service the debt on \$4,308,111,513 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 2026	\$ 38,848,852
Tax Year 2024 Interest and Sinking Fund Tax Levy @ 99% Collection	\$ 32,154,100
Interest and Sinking Fund Balance as of September 30, 2025	1,812,005
Self-Supporting Debt	<u>6,398,950</u>
	40,365,055
Estimated Balance, September 30, 2026	<u>\$ 1,516,203</u>

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 2,494,413,566	\$ 2,615,352,206	\$ 3,009,199,691	\$ 3,694,169,480	\$ 4,095,895,523	\$ 4,308,111,513
<u>224,164,909</u>	<u>266,285,834</u>	<u>315,255,537</u>	<u>301,800,792</u>	<u>325,906,422</u>	<u>428,356,387</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>\$ 3,769,989,101</u>	<u>\$ 3,879,755,126</u>

8.99%

10.18%

10.48%

8.17%

7.96%

9.94%

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

	2016	2017	2018	2019
Gross Revenue (1)				
Charges for services	\$ 44,406,721	\$ 47,769,478	\$ 50,715,034	\$ 51,973,150
Licenses, permits and fees	4,247,067	4,211,137	4,226,721	4,828,792
Investment and other income	1,211,532	2,284,171	3,122,041	4,772,982
Total	49,865,320	54,264,786	58,063,796	61,574,924
Direct Operating Expense (2)				
Personnel services	9,742,128	11,871,681	10,940,702	12,809,236
Contracted services	15,222,355	14,854,212	16,695,290	14,844,774
Materials and supplies	2,091,331	2,504,640	2,392,415	3,385,739
Heat, light and power	1,662,779	1,618,297	1,578,540	2,188,155
Total	28,718,593	30,848,830	31,606,947	33,227,904
Net available for Debt Service	<u>\$ 21,146,727</u>	<u>\$ 23,415,956</u>	<u>\$ 26,456,849</u>	<u>\$ 28,347,020</u>
Debt Service Requirements (P&I)	\$ 5,994,842	\$ 6,352,459	\$ 5,444,927	\$ 6,102,631
Revenue Bond Coverage	3.53	3.67	4.86	4.65
Metered Water Customers	32,930	33,602	34,581	35,397
Metered Wastewater Customers	31,984	32,614	33,277	34,085
Average Annual Principal and Interest Requirements, FY 2026-2039				\$ 4,839,680
Coverage of Average Requirements by FY 2025 Net Revenue				9.00
Estimated Maximum Principal and Interest Requirements, FY 2026				\$ 5,953,950
Estimated Coverage of Maximum Requirements by FY 2025 Net Revenue				7.32
Parity Debt Outstanding at FY 2025				\$ 52,315,000

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

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

2020	2021	2022	2023	2024	2025
\$ 55,695,939	\$ 55,106,110	\$ 60,923,212	\$ 61,870,880	\$ 58,952,865	\$ 65,460,046
4,693,720	5,472,368	6,302,178	6,394,076	6,447,691	7,832,616
4,010,185	2,363,247	90,182	7,289,303	14,432,338	21,895,674
64,399,844	62,941,725	67,315,572	75,554,259	79,832,894	95,188,336
12,751,829	12,896,946	13,633,693	16,702,089	18,437,608	19,201,634
13,759,401	16,476,180	18,392,887	17,758,878	21,436,997	25,621,177
2,747,862	3,051,250	4,234,393	4,319,533	4,545,633	3,949,916
2,452,847	2,404,405	2,891,204	3,109,243	2,901,029	2,847,327
31,711,939	34,828,781	39,152,177	41,889,743	47,321,267	51,620,054
\$ 32,687,905	\$ 28,112,944	\$ 28,163,395	\$ 33,664,516	\$ 32,511,627	\$ 43,568,282
\$ 6,082,481	\$ 6,073,581	\$ 6,062,631	\$ 5,956,631	\$ 5,948,181	\$ 5,952,331
5.37	4.63	4.65	5.65	5.47	7.32
35,998	36,593	37,324	37,659	38,441	38,855
35,299	35,879	36,581	36,883	37,635	38,028



**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
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
2025	139,436	-	-	36.7	46,075	3.6

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

Personal Income data was not available when the 2025 ACFR was prepared.

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

Name of Employer	2025			2016		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Dell Technologies	10,000	1	12.76 %	11,000	1	18.09 %
Round Rock Independent School District	6,236	2	7.95	5,800	2	9.54
Kalahari Resorts & Conventions	1,830	3	2.33	-		-
City of Round Rock	1,204	4	1.54	918	4	1.51
Airco Mechanical	1,197	5	1.53	-		-
Baylor Scott & White Healthcare	1,000	6	1.28	750	7	1.23
UPS	914	7	1.17	-		-
St. David's Round Rock Medical Center	846	8	1.08	689	8	1.13
Ascension Seton Medical Center Williamson	708	9	0.90	-		-
Emerson Automation Solutions	700	10	0.89	875	5	1.44
Sears TeleServe	-		-	1,500	3	2.47
Round Rock Premium Outlets	-		-	800	6	1.32
Liquidation Channel	-		-	600	9	0.99
Wayne, a GE Energy Business	-		-	550	10	0.90
Total	<u>24,635</u>		<u>31.43 %</u>	<u>23,482</u>		<u>38.62 %</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>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>	<u>2025</u>
General government	163	179	194	202	205	206	216	223	237	245
Public safety-										
Police-										
Officers	168	174	176	176	180	180	186	200	200	209
Civilians	72	74	75	78	78	78	82	82	87	90
Fire-										
Firefighters & officers	132	134	149	152	153	155	159	163	169	178
Civilians	8	8	9	10	10	8	22	24	25	22
Public works-										
Street & Stormwater	76	73	77	81	82	82	90	96	96	100
Shop	19	18	18	19	19	19	19	22	23	23
Culture & Recreation-										
Library	31	31	31	32	33	34	40	40	49	44
Parks & Recreation	106	102	105	107	108	108	110	129	134	137
Water & Wastewater Utility	<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>	<u>156</u>
Total	<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>	<u>1,204</u>

Source: City of Round Rock Finance Department

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

	2016	2017	2018	2019
Function:				
Police-				
Arrests	4,476	4,600	4,152	4,272
Accident reports	2,370	2,370	2,762	2,698
Index crimes reported*	2,383	2,383	2,870	2,648
Crimes per thousand residents*	22.50	22.50	26.50	23.40
Officers per thousand of population	1.43	1.48	1.56	1.53
Fire-				
Incident volume**	9,346	10,777	11,328	11,813
Priority calls answered**	3,735	2,548	5,083	4,078
Non-emergency calls answered**	5,611	8,229	6,245	7,735
Priority calls-response less than 6 minutes	61%	58%	53%	79%
Public Works-				
Street-				
Street resurfacing (lane miles)	60	60	60	121
Potholes repaired annually	400	300	300	280
Signals maintained	83	89	90	93
Shop-				
Work orders	4,761	4,620	4,733	4,936
Number of departments served	12	12	12	12
Culture and Recreation-				
Library-				
Number of items circulated	1,080,312	1,188,757	1,229,141	1,315,186
Number of card holders	77,818	79,415	81,181	83,507
Number of library visits	391,256	389,930	388,732	416,391
Parks & Recreation-				
Total park acres maintained	2,045	2,270	2,270	2,285
Number of athletic fields maintained	49	49	49	49
Number of trees planted	195	408	43	74
Number of recreation participants	988,337	1,080,853	1,140,094	892,870
Water-				
New connections	480	665	911	789
Line maintenance work orders	3,512	3,346	3,013	1,778
Average monthly consumption	536,082,308	571,062,558	612,026,451	543,547,232
Wastewater-				
Average monthly treatment	416,357,161	425,631,471	426,330,521	410,300,487
Line feet reviewed for infiltration & inflow	189,418	206,675	169,579	133,098

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.

2020	2021	2022	2023	2024	2025
3,592	3,049	4,243	4,275	4,208	3,687
2,636	2,236	3,109	3,408	3,281	3,881
2,400	6,960	8,522	8,365	7,873	7,957
21.00	56.10	67.80	57.70	58.40	56.01
1.53	1.49	1.48	1.52	1.48	1.48
12,189	13,193	14,876	15,781	16,160	17,233
3,248	2,590	6,288	3,715	4,844	5,136
8,941	10,603	8,588	12,066	11,316	12,097
73%	72%	67%	58%	71%	70%
183	190	140	80	72	60
250	220	260	285	320	300
100	100	100	101	104	107
4,980	2,972	4,492	4,763	4,896	4,949
12	12	12	14	14	14
986,686	1,105,973	1,171,561	1,290,953	1,500,148	1,270,200
80,656	65,159	65,788	74,490	81,173	91,552
219,736	156,742	275,851	449,234	552,424	538,438
2,285	2,295	2,301	2,305	2,328	2,328
51	51	51	51	51	51
98	73	21	56	51	184
332,895	513,322	518,194	548,195	717,461	675,700
534	486	710	347	814	474
2,366	2,383	2,513	2,508	3,599	4,527
620,080,709	622,781,309	773,701,493	802,575,698	671,803,014	774,905,722
440,156,307	498,103,453	537,916,079	554,289,168	464,221,683	466,222,890
109,080	102,296	194,727	204,657	166,454	124,870

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

Function:	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Police-				
Number of stations	1	1	1	1
Number of units	259	256	261	241
Fire-				
Number of stations	7	9	9	9
Number of fire trucks	15	16	16	17
Public Works-				
Street-				
Lane miles	1,200	1,200	1,300	1,350
Drainage miles	150	151	200	200
Number of street lights	5,433	5,604	5,674	5,733
Number of traffic signals	83	89	90	93
Shop-				
Repair facilities	1	1	1	1
Number of bays	13	18	18	18
Culture and Recreation-				
Library-				
Number of library books	257,667	213,381	225,903	230,094
Number of library facilities	1	1	1	1
Parks & Recreation-				
Total park acres	2,035	2,270	2,270	2,285
Number of athletic fields	49	59	59	61
Number of parks	62	61	61	61
Number of tennis courts	25	22	21	21
Number of pools	4	4	4	4
Water-				
Number of miles of water lines*	615	614	651	636
Pumping stations	10	10	10	11
Tanks	19	19	19	19
Treatment capacity (millions of gallons/day)	52	52	52	52
Wastewater-				
Number of miles of wastewater mains	427	428	461	445
Wastewater lift stations	12	12	12	11

Source: City of Round Rock Finance Department

* Includes MUDS and private owned lines

2020	2021	2022	2023	2024	2025
1 252	1 258	1 270	1 268	1 274	1 290
9 17	9 17	9 20	9 11	9 12	9 13
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	1,500 562 7,614 107
2 21	2 21	2 21	2 21	2 21	2 21
227,880 1	228,866 1	230,577 1	218,927 1	218,545 1	216,877 1
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	2,328 61 61 21 4
667 11 19 61	698 11 20 61	722 11 20 61	711 11 20 61	713 11 20 61	732 11 20 61
467 11	477 11	495 11	514 12	516 12	522 12

**CITY OF ROUND ROCK, TEXAS
TOP TEN WATER CUSTOMERS
SEPTEMBER 30, 2025**

<u>Name of Customer</u>	<u>Type of Business</u>	<u>Water Consumption in Gallons</u>	<u>% of Total Water Consumption in Gallons</u>
City of Georgetown, Texas	Municipality	1,619,159,700	17.412 %
Fern Bluff Municipal Utility District	Municipal Utility District	284,828,800	3.063
Paloma Lake Municipal Utility District	Municipal Utility District	267,671,900	2.879
Williamson County Municipal Utility District #10	Municipal Utility District	210,970,400	2.269
Williamson County Municipal Utility District #11	Municipal Utility District	191,369,500	2.058
Chandler Creek Municipal Utility District	Municipal Utility District	145,262,800	1.562
Kalahari Resorts & Conventions	Hotel	144,776,300	1.557
Vista Oaks Municipal Utility District	Municipal Utility District	107,996,800	1.161
Mid America Apartments, LP	Multi-Family Housing	85,155,200	0.916
Dell, Inc.	Electronic Equipment	<u>78,597,500</u>	<u>0.845</u>
		<u><u>3,135,788,900</u></u>	<u><u>33.722 %</u></u>

Source: City of Round Rock Finance Department

**CITY OF ROUND ROCK, TEXAS
WATER AND WASTEWATER RETAIL RATES
SEPTEMBER 30, 2025**

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	\$ 17.35
Block 2: \$3.41	3/4 inch	24.15
Block 3: \$4.27	1 inch	38.14
Block 4: \$6.40	1 1/2 inch	73.07
Block 5: \$6.85	2 inch	114.99
	3 inch	212.81
<i>Billing periods for commercial:</i>	4 inch	352.58
\$2.90 per 1,000 gallons of water used by all customers	6 inch	1,099.20
	8 inch	1,921.26
<i>Billing periods for irrigation:</i>	10 inch	3,017.35
Four block structure for use in excess of predetermined amounts set by meter size -	12 inch	3,702.42
Block 1: \$3.41		
Block 2: \$4.27		
Block 3: \$6.40		
Block 4: \$6.85		

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
\$3.15 per 1,000 gallons of water used by all customers*	5/8 inch	\$ 14.06
	3/4 inch	18.35
	1 inch	26.31
	1 1/2 inch	47.98
	2 inch	73.98
	3 inch	134.63
	4 inch	221.28
	6 inch	652.19
	8 inch	1,138.09
	10 inch	1,785.94
	12 inch	2,190.85

* 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, No. O-2022-020, No. O-2024-225, and No. O-2024-266.



CITY OF ROUND ROCK, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2025

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 Homeland Security					
<i>Pass-Through from Texas A&M Engineering Extension Service</i>					
National Urban Search & Rescue Response System					
Tropical Cyclone Helene	97.025	250101	\$ -	\$ 25,883	\$ 25,883
Tropical Cyclone Milton	97.025	250102	-	8,332	8,332
<i>Total National Urban Search & Rescue Response System</i>			-	34,215	34,215
Total U.S. Department of Homeland Security			-	34,215	34,215
U.S. Department of Housing & Urban Development					
Community Development Block Grants/Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	14.218	B20MC480514	-	92,672	92,672
Community Development Block Grants/Entitlement Grants	14.218	B21MC480514	-	2,153	2,153
Community Development Block Grants/Entitlement Grants	14.218	B22MC480514	-	926	926
Community Development Block Grants/Entitlement Grants	14.218	B23MC480514	-	161,813	161,813
Community Development Block Grants/Entitlement Grants	14.218	B24MC480514	96,334	128,446	224,780
Community Development Block Grants/Entitlement Grants (Covid-19)	14.218	B20MW480514	-	18,708	18,708
<i>Total Community Development Block Grants/Entitlement Grants Cluster</i>			96,334	404,718	501,052
Total U.S. Department of Housing & Urban Development			96,334	404,718	501,052
U.S. Department of Justice					
Public Safety Partnership and Community Policing Grants					
FY23 COPS Technology and Equipment Program (Congressionally Directed Spending)	16.710	15JCOPS-23-GG-01671-TECP	-	776,440	776,440
<i>Total Public Safety Partnership and Community Policing Grants</i>			-	776,440	776,440
Total U.S. Department of Justice			-	776,440	776,440
U.S. Department of the Treasury					
Coronavirus State and Local Fiscal Recovery Funds (Covid-19)					
Coronavirus State and Local Fiscal Recovery Funds (Covid-19)	21.027	SLT-4414	-	6,224,301	6,224,301
<i>Pass-Through from Williamson County, Texas</i>					
Coronavirus State and Local Fiscal Recovery Funds (Covid-19)	21.027	N/A	-	10,422,013	10,422,013
<i>Total Coronavirus State and Local Fiscal Recovery Funds (Covid-19)</i>			-	16,646,314	16,646,314
Total U.S. Department of the Treasury			-	16,646,314	16,646,314
U.S. Department of Transportation					
Federal Transit Cluster					
Federal Transit Formula Grants	20.507	TX-2021-039-00	-	308,561	308,561
Federal Transit Formula Grants	20.507	TX-2023-015-00	-	656,967	656,967
<i>Total Federal Transit Cluster</i>			-	965,528	965,528
Total U.S. Department of Transportation			-	965,528	965,528
Total Expenditures of Federal Awards			\$ 96,334	\$ 18,827,215	\$ 18,923,549

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

CITY OF ROUND ROCK, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2025

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 15-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. EXPENDITURES INCURRED IN A PRIOR YEAR

Some expenditures recorded in the SEFA, associated with Tropical Cyclone Helene that were passed through the Texas A&M Engineering Extension Service 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 2025. 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, 2025, 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 9, 2026.

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.

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

Austin, Texas
February 9, 2026

**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, 2025. 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, 2025.

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 9, 2026

CITY OF ROUND ROCK, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2025

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 Justice	
FY23 COPS Technology and Equipment Program (Congressionally Directed Spending)	16.710
U.S. Department of the Treasury	
Coronavirus State and Local Fiscal Recovery Funds (COVID-19)	21.027
Dollar Threshold Used to Distinguish Between Type A and Type B Programs	\$1,000,000
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, 2025

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, 2025 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, 2025

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

The Corrective Action Plan for the year ended September 30, 2025 has been prepared to address these requirements.

I. Corrective Action Plan

Not applicable.