

**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					
<i>Public Placement</i>					
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	<u>360,064,990</u>	<u>115,887,073</u>	<u>(20,057,513)</u>	<u>455,894,550</u>	<u>22,945,055</u>
<i>Private Placement</i>					
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	<u>26,875,000</u>	<u>-</u>	<u>(3,320,000)</u>	<u>23,555,000</u>	<u>3,415,000</u>
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	<u>447,218,255</u>	<u>126,412,981</u>	<u>(30,407,474)</u>	<u>543,223,762</u>	<u>37,274,662</u>
Business-Type Activities					
<i>Public Placement</i>					
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	<u>60,658,755</u>	<u>-</u>	<u>(4,191,408)</u>	<u>56,467,347</u>	<u>4,376,408</u>
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	<u>63,538,813</u>	<u>205,616</u>	<u>(4,361,688)</u>	<u>59,382,741</u>	<u>4,921,712</u>
Total primary government	<u>\$ 510,757,068</u>	<u>\$ 126,618,597</u>	<u>\$ (34,769,162)</u>	<u>\$ 602,606,503</u>	<u>\$ 42,196,374</u>

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.

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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%	87,520,000	-	-
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	-	-

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	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>\$ 455,894,550</u>	<u>\$ 23,555,000</u>	<u>\$ 56,467,347</u>

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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>

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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.

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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.

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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.

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Sales Tax Revenue Bonds

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

The debt service fund for the sales tax revenue bonds, aggregating \$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.

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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.

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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>	<u>29,416</u>	<u>750,395</u>
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	<u>8,606,648</u>		
Cumulative Variance as of Fiscal Year-End	<u>-</u>		
Total Remaining Liability	<u>\$ 8,606,648</u>		