City of Rockport

CITY COUNCIL REGULAR MEETING AGENDA
TUESDAY, MARCH 17, 2026 - 5:00 PM
ROCKPORT CITY HALL
212 N LIVE OAK
ROCKPORT, TEXAS 78382

Mayor Tim Jayroe
Mayor Pro Tern (Ward 4) Andrea Hattman
Councilmember (Ward 1) Stephanie Rangel
Councilmember (Ward 2) Matt Anderson
Councilmember (Ward 3) Brad Brundrett
Vanessa Shrauner, City Manager

Notice is hereby given that Rockport City Council will hold a Regular Meeting on Tuesday, March 17, 2026, at 5:00 PM. The meeting will be held in person in the Council Chambers in City Hall, 212 N. Live Oak, Rockport, Texas 78382. The live stream link to view the meeting is https://rockporttx.portal.civicclerk.com/.

SEC 551.127 VIDEO CONFERENCE ATTENDANCE
A quorum of city council will physically be at the meeting location listed above, Councilmembers or the Mayor may be attending the meeting virtually on this date using Zoom. If this occurs, all regulations per Local Government Code Sec. 551.127-Video Conference Call will be followed. The City Council welcomes citizen participation and comments at all City Council Meetings on an Agenda item or any subject matter.

Written comments submitted bv 3:30 p.m. on the day of the meeting.

- Complete the Speaker Card - locate the card online (https://rockporttx.gov/FormCenter/Citizen-Participation-Form-7/Citizen-Participation-Form-52)
- Written Comments received by the deadline will be read.

Sign up in person.

- Speaker's cards are located at the entrance of the meeting room and must be delivered to the City Secretary before the meeting begins.
- Any citizen with handouts should provide them to the City Secretary before the meeting. If you wish the City Council to receive your handouts for the meeting, please provide 8 copies; if not, the City Council will receive your handouts the following day.

Rules for Citizen Participation.

- Speakers will be limited to three minutes.
- While civic public criticism is not prohibited; disorderly conduct or disturbance of the peace as prohibited by law shall be cause for the chair to terminate the offender's time to speak.

NOTE: The City Council may adjourn into Executive Session to consider any item listed on this agenda if a matter is raised that is appropriate for discussion. An announcement will be made based on the Executive Session discussion. The City Council may also publicly discuss any item listed on the agenda for the Executive Session.

Notice is hereby given that other elected or appointed officials may attend the City Council Meeting at the date and time above in numbers that may constitute a quorum. No action or minutes will be taken by such in attendance.

This facility is wheelchair-accessible and accessible parking spaces are available. Requests for accommodation or interpretive services must be made 48 hours before this meeting. Please get in touch with the City Secretary's office at (361) 729-2213, ext. 225, or FAX (361) 790-5966 or email sgoodwin@rockporttx.gov for further information. Braille is not available.

I. CALL TO ORDER AND ROLL CALL

II. PLEDGE OF ALLEGIANCE

III. CITIZENS TO BE HEARD

Speaker participation instructions are provided in writing at the beginning of the agenda. NOTE: The Texas Open Meetings Act permits a member of the public or a member of the governmental body to raise a subject that has not been included in the notice for the meeting. However, any discussion of the subject must be limited to a proposal to place the subject on the agenda for a future meeting, and any response to a question posed to the City Council is limited to either a statement of specific factual information or a recitation of existing policy. TEX. GOV'T CODE § 551.042 has not been posted on the agenda.

IV. CEREMONIAL MATTERS/PROCLAMATIONS/EMPLOYEE RECOGNITION

1. Tenure Tuesday (Vanessa Shrauner, City Manager)

V. AUDIT

2. Presentation by Sara Henderson of Armstrong, Vaughn & Associates of City of Rockport's 2025 audit report (Robbie Sorrell, Finance Director)

3. Consider the approval of Resolution 2026-12R accepting the 2025 Annual Comprehensive Financial Report as presented by Armstrong, Vaughn & Associates. (Robbie Sorrell, Finance Director)

VI. CONSENT

The following items may be acted upon in a single motion. No separate discussion or action on any of these items will be held unless pulled at the request of a member of the City Council.

4. Consider the approval of the City Council Minutes for the February 24, 2026, City Council Regular Meeting (Shelley Goodwin, City Secretary)

5. Consider the approval of Resolution 2026-09R authorizing the Rockport Police Department to apply for and operate a State Homeland Security Program - Regular Projects (SHSP-R) grant for fiscal year 2026; and authorizing the Mayor to act as the Executive Officer and authorized representative in all matters pertaining to the participation in the grant program. (Nathan Anderson, Police Chief)

6. Consider the approval of Resolution 2026-10R, authorizing the Mayor to approve payment of the tenth and final year of Sales Tax 380 Agreement between the City of Rockport and Gulf Coast Hardware; and providing and effective date. (Robbie Sorrell, Finance Director)

7. Consider the approval of Resolution 2026-11R authorizing committing local funds for the Community Development Block Grant Disaster Recovery (CDBG-DR) project with the General Land Office (GLO), Contract No. 20-065-090-C252. (Ryan Picarazzi, Public Works Director)

VII. ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS

8. Consider the request by the Texas Department of Transportation to lower the speed limit on South Business 35 between 9th Street and the City Limits at Freeze Lane from 60 miles per hour to 55

miles per hour.
i. Hold a Public Hearing to receive comments for or against the request.
ii. Presentation from Staff
iii. Take from the table (previously laid on the table on February 24, 2026)
iv. Consider the approval of the first of two readings of Ordinance 2009 amending the City of Rockport Code of Ordinances Chapter 98 "Traffic and Vehicles", Article III "Speed" Section 98-61, Appendix T-25; providing for the validity of said Ordinance; repealing all prior Ordinances in conflict herewith; and providing for an effective date. (Nathan Anderson, Police Chief)

9. Consider the approval of Resolution 2026-13R appointing and reappointing members to the Zoning Board of Adjustment; providing for terms of office; and providing for an effective date. (Shelley Goodwin, City Secretary)

VIII. OTHER ACTION ITEMS AND UPDATES

10. Request for a Heritage District Certificate of Appropriateness Application submitted by building owner, Richard Neely for the business of Dog (Pet) Wants - Tiki Bar to be located at 404 S. Austin Street to add on to the existing building with a structure that includes garage doors with glass panels.
i. Presentation by staff
ii. Presentation by requestor
iii. Consider the approval of the Heritage District Certificate of Appropriateness Application submitted by Dog (Pet) Wants - Tiki Bar to be located at 404 S. Austin Street to add on to the existing building with a structure that includes garage doors with glass panels. (Kimberly Henry, Assistant to the City Manager)

IX. CITY MANAGER'S UPDATE

The City Manager will report/update on activities, meetings, and organizational updates . No formal action can be taken on these items.

X. CITY COUNCIL REPORT

The City Council will report/update on activities in respective Wards, and all committee assignments. No formal action can be taken on these items at this time.

XI. EXECUTIVE SESSION

The City Council will recess its open meeting and reconvene in Executive Session pursuant to:
Note 1: Texas Government Code § 551.071, Consultation with Attorney
Note 2: Texas Government Code § 551.072, Real Property
Note 3: Texas Government Code § 551.074, Personnel Matters
Note 4: Texas Government Code § 551.076, Security
Note 5: Texas Government Code § 551.087, Economic Development Negotiations
Note 6: Texas Government Code § 551.089, IT Security
The City Council will consider the following items in Executive Session. The Council may also consider any other matter posted on the agenda if there are issues that require consideration in Executive Session and the Council announces that the item will be considered during Executive Session.

11. Discussion to deliberate the appointees' annual performance evaluation process and duties (City Manager, Municipal Judge, and City Secretary)[3]. (Shelley Goodwin, City Secretary)

XII. BUSINESS ITEM

The City Council will reconvene into Regular Session upon the conclusion of the Executive Session; the

City Council may take action on any item posted in the Executive Session as necessary.

XIII. ADJOURN

CERTIFICATION

This is to certify that I, Shelley Goodwin, posted this Agenda at 4:15 p.m. on March 11, 2026, on the bulletin board at City Hall, 212 N. Live Oak, Rockport, Texas 78382.

Shelley Goodwin, TRMC/MMC
City Secretary

AGENDA MEMO

DEPARTMENT: City Manager
TO: Mayor and City Council
FROM: Vanessa Shrauner, City Manager
MEETING DATE: March 17, 2026 **CATEGORY**: Presentation

CAPTION:
Tenure Tuesday

SUMMARY:
March City Employees that have received tenure are:

- Roberto Ramos - Building & Development- Code Enfrocement - 10 Years
- Edward Devine, III - Parks & Leisure Services — 5 Years
- Mitchell Tomblin - Parks & Leisure Services - 5 Years
- Jessica Yarberry - Police Department-CID - 10 Years
- Jeannine "Jan" Broom - Public Works - 10 Years
- James Garrity, II - Public Works - 5 Years

BACKGROUND:
Announcing a tenure is a way to recognize the following:
1. Recognizing Dedication and Loyalty
2. Building a Positive Work Culture
3. Encouraging Employee Retention
4. Celebrating Rockport's Knowledge
5. Promoting Transparency
6. Enhancing Reputation of the Rockport Team

FUNDING SOURCE: **FUNDING IMPACT**:

STAFF RECOMMENDATION:
To acknowledge employees with tenure.

STRATEGIC INITIATIVES:
Customer ServicePresentation

ATTACHMENTS:

None

APPROVAL/REVIEW:

______________________________	Date: March 10, 2026
Shelley Goodwin, City Secretary	
______________________________	Date: March 11, 2026
Vanessa Shrauner, City Manager	

AGENDA MEMO

DEPARTMENT: Finance/Utility Billing
TO: Mayor and City Council
FROM: Robbie Sorrell, Finance Director
MEETING DATE: March 17, 2026 **CATEGORY**: Presentation

CAPTION:
Presentation by Sara Henderson of Armstrong, Vaughn & Associates of City of Rockport's 2025 audit report

SUMMARY:
Per Local Law, the City has to undergo a full and independent audit every year. Depending on the dollar amount of Federal Grant spending during the year, additional testing and reporting may be required.

BACKGROUND:
This is the second year Armstrong & Vaughn have audited the City of Rockport's financial statements. The firm has been very responsive to Rockport's needs and very capable, as evidenced in its professional handling of the Natural Gas Asset sale to the City of Corpus Christi and compliance with Senate Bill 1851.

FUNDING SOURCE:
2025-2026 Budget

FUNDING IMPACT:
2025-2026 Budget

STAFF RECOMMENDATION:
Staff recommends hearing of audit report and questions.

STRATEGIC INITIATIVES:
Values - Accountability & IntegrityPresentation

ATTACHMENTS:
1. v3 - 2025 Rockport Audit Highlights_01

APPROVAL/REVIEW:

Date: March 03, 2026

Robbie Sorrell, Finance Director

Date: March 10, 2026

Shelley Goodwin, City Secretary

Date: March 11, 2026

Vanessa Shrauner, City Manager

City of Rockport
Audit Highlights
September 30, 2025

OVERVIEW

Clean Opinion (means we agree annual report is accurate)	YES
Material or Significant Findings	NO
Any Other Written Findings or Recommendations	YES

General Fund Trends	2023	2024	2025	Budget
Total Revenue	10,612,873	11,597,692	12,148,177	13,945,434
Total Expenditures	10,812,466	10,684,310	10,380,203	12,637,010
Other Sources (Uses)	516,372	(201,914)	3,630,279	(1,308,424)
Change in Fund Balance	316,779	711,468	5,398,253	-
Beginning Fund Balance	3,510,999	3,827,778	4,539,246	
Ending Fund Balance	3,827,778	4,539,246	9,937,499	
Capital Expenditures	827,461	301,584	64,063	
Months in General Fund Balance	4.6	5.2	11.6	

Water/Sewer Fund Trends	2023	2024	2025
Total Revenue	14,677,647	16,066,900	15,492,281
Total Expenses	11,312,674	12,079,675	11,873,332
Other Sources (Uses)	(992,009)	(1,608,034)	(117,689)
Change in Net Position	2,372,964	2,379,191	3,501,260
Beginning Net Position	29,068,672	31,441,636	34,984,640
Prior Period Adjustment	-	1,163,813	-
Ending Net Position	31,441,636	34,984,640	38,485,900
Long-term Assets	(33,941,204)	(34,451,591)	(37,828,283)
Long-term Liabilities	13,805,854	12,206,107	10,102,903
Working Capital	11,306,286	12,739,156	10,760,520

Other Significant Fund Balances	2023	2024	2025
Sanitation	1,363,436	1,505,090	1,762,749
Aquatic Center	128,421	28,998	275,096
Utility Bill Surcharge	150,152	151,610	186,224
Public Access TV	340,017	374,737	57,943
Tree Mitigation	70,545	148,926	175,273
HOT Tax	2,195,436	1,905,104	1,831,871
Debt Service	1,325,226	1,438,433	1,656,463
General Cap Improvement	(15,560,564)	6,696,801	6,772,318
Tax Notes	23,046,650	-	-
CDBG Capital Grant Fund	2,080,403	1,731,403	-
Opioid	17,031	13,777	29,940
Forfeiture	49,130	26,490	17,561
General Vehicle Replacement	660,873	517,708	-
Natural Gas	2,370,891	3,303,497	-

Other Information	2023	2024	2025
Pension Funding Ratio	92.82%	78.85%	83.17%
Increase in General Fund Balance from Gas System Sale	-	-	$ 4,168,973

AGENDA MEMO

DEPARTMENT: Finance/Utility Billing
TO: Mayor and City Council
FROM: Robbie Sorrell, Finance Director
MEETING DATE: March 17, 2026 **CATEGORY**: Resolution

CAPTION:
Consider the approval of Resolution 2026-12R accepting the 2025 Annual Comprehensive Financial Report as presented by Armstrong, Vaughn & Associates.

SUMMARY:
Consider and Act on Resolution to approve 2025 Annual Comprehensive Financial Report.

BACKGROUND:
This is the second year for the Audit Firm Armstrong, Vaughn, and Associates to perform an audit for the City of Rockport.

FUNDING SOURCE:
2025-2026 Budget

FUNDING IMPACT:
2025-2026 Budget

STAFF RECOMMENDATION:
Staff recommends acceptance of the 2025 Audit.

STRATEGIC INITIATIVES:
Values: AccountabilityResolution

ATTACHMENTS:
1. Audit Resolution
2. Audit Resolution
3. v3 - 2025 Rockport Audit Highlights_01
4. Rockport 2025 Governance Letter
5. Rockport 2025 ACFR FINAL

APPROVAL/REVIEW:

Date: March 04, 2026

Robbie Sorrell, Finance Director

Date: March 10, 2026

Shelley Goodwin, City Secretary

Date: March 11, 2026

Vanessa Shrauner, City Manager

RESOLUTION NO. _______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS, AUTHORIZING THE MAYOR TO ACCEPT AND APPROVE 2025 AUDIT.

WHEREAS, the City of Rockport, Texas ("City") recognizes the need to Accept the audit; and

WHEREAS, the City Council of the City of Rockport finds it in the best interest of the City and its citizens to Accept such; and

WHEREAS, sufficient funds have been appropriated in the current fiscal year budget to cover the cost of said Audit; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS:

SECTION 1. That the City Council hereby Accepts the 2025 Audit substantially in the form attached hereto as *Exhibit "A."*

SECTION 2. That the City Manager and staff are authorized to take all actions necessary to implement this 2025 Audit.

SECTION 3. This Resolution shall take effect immediately upon its Acceptance and approval.

ACCEPTED AND APPROVED on this 17th day of March**,** 2026.

CITY OF ROCKPORT, TEXAS

____
Tim Jayroe
Mayor

ATTEST:

____
Shelley Goodwin, TRMC, MMC
City Secretary

RESOLUTION NO. _______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS, AUTHORIZING THE MAYOR TO ACCEPT AND APPROVE 2025 AUDIT.

WHEREAS, the City of Rockport, Texas ("City") recognizes the need to Accept the audit; and

WHEREAS, the City Council of the City of Rockport finds it in the best interest of the City and its citizens to Accept such; and

WHEREAS, sufficient funds have been appropriated in the current fiscal year budget to cover the cost of said Audit; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS:

SECTION 1. That the City Council hereby Accepts the 2025 Audit substantially in the form attached hereto as *Exhibit "A."*

SECTION 2. That the City Manager and staff are authorized to take all actions necessary to implement this 2025 Audit.

SECTION 3. This Resolution shall take effect immediately upon its Acceptance and approval.

ACCEPTED AND APPROVED on this 17th day of March**,** 2026.

CITY OF ROCKPORT, TEXAS

____
Tim Jayroe
Mayor

ATTEST:

____
Shelley Goodwin, TRMC, MMC
City Secretary

City of Rockport
Audit Highlights
September 30, 2025

OVERVIEW

Clean Opinion (means we agree annual report is accurate)	YES
Material or Significant Findings	NO
Any Other Written Findings or Recommendations	YES

General Fund Trends	2023	2024	2025	Budget
Total Revenue	10,612,873	11,597,692	12,148,177	13,945,434
Total Expenditures	10,812,466	10,684,310	10,380,203	12,637,010
Other Sources (Uses)	516,372	(201,914)	3,630,279	(1,308,424)
Change in Fund Balance	316,779	711,468	5,398,253	-
Beginning Fund Balance	3,510,999	3,827,778	4,539,246	
Ending Fund Balance	3,827,778	4,539,246	9,937,499	
Capital Expenditures	827,461	301,584	64,063	
Months in General Fund Balance	4.6	5.2	11.6	

Water/Sewer Fund Trends	2023	2024	2025
Total Revenue	14,677,647	16,066,900	15,492,281
Total Expenses	11,312,674	12,079,675	11,873,332
Other Sources (Uses)	(992,009)	(1,608,034)	(117,689)
Change in Net Position	2,372,964	2,379,191	3,501,260
Beginning Net Position	29,068,672	31,441,636	34,984,640
Prior Period Adjustment	-	1,163,813	-
Ending Net Position	31,441,636	34,984,640	38,485,900
Long-term Assets	(33,941,204)	(34,451,591)	(37,828,283)
Long-term Liabilities	13,805,854	12,206,107	10,102,903
Working Capital	11,306,286	12,739,156	10,760,520

Other Significant Fund Balances	2023	2024	2025
Sanitation	1,363,436	1,505,090	1,762,749
Aquatic Center	128,421	28,998	275,096
Utility Bill Surcharge	150,152	151,610	186,224
Public Access TV	340,017	374,737	57,943
Tree Mitigation	70,545	148,926	175,273
HOT Tax	2,195,436	1,905,104	1,831,871
Debt Service	1,325,226	1,438,433	1,656,463
General Cap Improvement	(15,560,564)	6,696,801	6,772,318
Tax Notes	23,046,650	-	-
CDBG Capital Grant Fund	2,080,403	1,731,403	-
Opioid	17,031	13,777	29,940
Forfeiture	49,130	26,490	17,561
General Vehicle Replacement	660,873	517,708	-
Natural Gas	2,370,891	3,303,497	-

Other Information	2023	2024	2025
Pension Funding Ratio	92.82%	78.85%	83.17%
Increase in General Fund Balance from Gas System Sale	-	-	$ 4,168,973

Armstrong, Vaughan & Associates, P. C.
Certified Public Accountants

Communication with Those Charged with Governance

To Management, Mayor, and City Council of
City of Rockport

We have audited the financial statements of the City of Rockport as of and for the year ended September 30, 2025, and have issued our report thereon dated March 4, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated August 19, 2025, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of City of Rockport solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team and others in our firm, as appropriate, have complied with all relevant ethical requirements regarding independence.

941 West Byrd Blvd., Suite 101 • Universal City, Texas 78148
Phone: 210-658-6229 • Fax: 210-659-7611 • Email: info@avacpa.com • www.avacpa.com

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Rockport is included in Note 1 to the financial statements. There were no significant new accounting policies adopted and no changes in significant accounting policies or their application during 2025 except for the following:

> On October 1, 2024, the City implemented GASB 101 related to compensated absences. Previously, the liability for employee accumulated leave only included vacation and sick leave balances that would be paid out upon termination. Now, an estimated amount of sick leave is included for the portion that is more likely than not to be used. The City has estimated approximately 60% of the sick leave will be used. This increased the liability for compensated absences on the proprietary fund and government-wide financial statements.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

1. Useful lives of depreciable assets
2. Allowance for uncollectible property tax and utility receivables
3. Grant receivable from FEMA
4. Mortality rates, investment returns, discount rates, health care cost trends and other expected conditions related to
    a. Pension plan
    b. Supplemental Death Benefit
    c. Retiree medical insurance cost trend rates
5. Accrued compensated absences expected to be taken as leave or paid out on termination

We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting City of Rockport's financial statements related to the net pension liability, total other post-employment liabilities, and tax abatements.

Significant Difficulties Encountered during the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

Representations Requested from Management

We have requested certain written representations from management in a separate letter dated March 4, 2026.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to City of Rockport's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. The following uncorrected financial statement misstatement is determined by management to be immaterial to the financial statements taken as a whole:

> As previously mentioned, the City implemented GASB 101 related to compensated absences. This added approximately $87,000 to the liability as of September 30, 2025. Rather than restate the prior year financials, the increase was recorded in 2025 proprietary fund expenses, overstating them by the same amount.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We assisted management with routine entries such as updating debt balances, capital asset balances and net pension/other post-employment liabilities.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with City of Rockport, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Rockport's auditors.

This information is intended solely for the information and use of the Mayor, City Council and management of City of Rockport and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.
March 4, 2026

CITY of ROCKPORT, TEXAS

Est. 1870

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2025

PREPARED BY

FINANCE DEPARTMENT
ROBBIE SORRELL, DIRECTOR OF FINANCE

CITY of ROCKPORT, TEXAS

Est. 1870

CITY OF ROCKPORT, TEXAS
TABLE OF CONTENTS
SEPTEMBER 30, 2025

INTRODUCTORY SECTION

FINANCIAL SECTION

STATISTICAL SECTION

COMPLIANCE SECTION

INTRODUCTORY SECTION

March 4, 2026

Honorable Mayor and Members of City Council
City of Rockport, Texas
212 N Live Oak St
Rockport, Texas 78382

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Rockport, Texas:

The City of Rockport, Texas is required to publish each year, a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Rockport (the City) for the fiscal year ended September 30, 2025.

This report consists of management's representations concerning the finances of the City and deems the enclosed data to be accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of all City activities and funds. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The City also acknowledges all disclosures that are necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's financial statements have been audited by Armstrong, Vaughan & Associates, P.C., a firm of licensed public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2025 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the year ended September 30, 2025 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

As required by GAAP, management has provided a narrative introduction, overview and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Rockport was incorporated on May 29, 1871 under the laws of the State of Texas and adopted the Council-Manager form of government on April 12, 1983. The City Council is composed of the Mayor and four council members. The City Council and Mayor are responsible for enacting ordinances, resolutions, and regulations governing the City, appointing members of various statutory and advisory boards and the City Manager, City Secretary, City Attorney, Municipal Judge and Alternate Municipal Judge. As chief administrative officer, the City Manager is responsible for enforcement of laws and ordinances and appoints and supervises the heads of departments of the City Organization.

The City has adopted a Council-Manager form of government. Policy-making and legislative authority are vested in a governing Council that is comprised of a Mayor and four Council members. The Mayor and Council members from Wards Two and Four are elected at large for a three-year term while Council members from Wards One and Three are elected to two-year terms. Elections are staggered with the Mayor and two Council Members elected together (year 2024) and the two remaining members in 2023. The City Manager is appointed by the Council and is responsible for implementing council policy and day-to-day operations of the City.

The Department of Finance operates under the direction of the Director of Finance, who is appointed by the City Manager, with the consensus of the City Council. Activities of the Department of Finance are control of custody and disbursement of City funds. Other activities of the department include risk management, payroll, treasury management, purchasing, computer management and the preparation of the annual budget and interim and annual financial reports.

Services provided by the City under the general governmental functions include police, street maintenance, public improvements, planning and zoning, engineering, traffic control, parks operation and maintenance, code enforcement, building permits, floodplain management, building, plumbing, electrical inspections and general and administrative services. A private firm provides solid waste collection and disposal services under a contract with the City. In addition, water, natural gas, and sewer, and the community aquatic park services are provided under an Enterprise Fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt.

The Community Aquatic Park is considered to be a blended component unit of the City. The City acts as the "managing partner" of the County wide governmental "joint venture" consisting of the City of Rockport and Aransas County. Policy is set by a Swimming Pool Operations committee which consists of a voting member from each city and the county, plus a citizen member of the City Parks Board and the Director of Parks and Leisure Services.

The City of Rockport, Aransas County, and the Town of Fulton entered an Interlocal Agreement creating the City/County Communications Center, combining dispatch services. The agreement created a Dispatching Services Board consisting of one representative from each entity and the Dispatch Administrator.

Additional Interlocal Agreements between the City of Rockport and Aransas County help to eliminate the duplication of services and help reduce costs for both entities. These include Animal Control Services, Jail and Detention Services, Road Construction and Maintenance within the city limits of Rockport, Septic System Inspections, Sanitation Services and Tax Collection.

The Aransas County and City of Rockport Public Safety Center completed a joint law enforcement office building housing the Rockport Police Department and the Aransas County Sheriff's Office. This is another example of the City and County joining together to save taxpayers' dollars. Created by an Interlocal Agreement, the venture is a 50/50 split between the City of Rockport and Aransas County for all maintenance and expenses related to the Public Safety Center.

On May 30, 2008, the City purchased Aransas Natural Gas Company, a privately owned natural gas company located in Rockport. The Natural Gas Division provides service to Rockport, the Town of Fulton, and Aransas County as far north as Lamar. On September 29, 2025, the City sold the Natural Gas System to the City of Corpus Christi, Texas.

An annual budget serves as the foundation for the City's financial planning and control. In accordance with the City Charter, on or before the first regular scheduled meeting in August, the City Manager submits to the City Council a proposed budget and budget message for the fiscal year commencing the following October l. The proposed budget shall contain the budget message prepared by the City Manager, detailing estimates of all revenue and expenditures, debt requirements, and a draft of the budget ordinance. The City Council shall review the proposed budget and make any appropriate changes prior to publishing the final budget. In August, a budget workshop is held with City Council members present. A public hearing for the budget is held in late August.

The budget must provide a complete financial plan for all city funds for the ensuing fiscal year showing:

- All outstanding obligations
- Cash on hand to each fund
- The funds received from all sources and funds available from all sources
- The estimated revenue to cover the proposed budget
- The estimated tax rate required
- Proposed capital additions and deletions along with methods of financing them
- The total proposed expenditure shall not exceed the total estimated income

The budget is legally enacted through passage of an ordinance on or before September 27th. This ordinance adopts the City's budget at fund level and constitutes appropriation of the amounts specified therein as expenses from funds indicated and constitutes a levy of property tax therein proposed. The City's Code of Ordinances allows the city manager to transfer all or part of unencumbered appropriated balances among programs in a department within a single fund.

The budget message explains the budget in fiscal terms and in terms of the work submitted with the budget. It outlines the proposed financial programs of the City for the ensuing fiscal year, the capital program, and capital projects for the budget year. The budget message will describe the important features of the budget and indicate any major changes from the current year in financial policies, expenditures and revenues including the reasons for such changes.

LOCAL ECONOMY

Ranked in the 100 Best Small Art Towns of America and recognized among the top retirement spots in the nation by America's Best Places to Retire, Rockport is a wonderful place to live and visit alike. Gulfscapes Magazine's "2011 Reader's Choice Best Gulf Coast Towns" listed Rockport number four in the top ten. In 2011, Rockport was highlighted as a coastal dream town by Coastal Living Magazine. Better Homes and Gardens in its April 2007 issue listed Rockport-Fulton the number five destination as a "long weekend hotspot" for spring migration bird watching and more recently number 2 on their rankings of the "Top 10 Artists Colonies." Texas Meetings and Events list Rockport-Fulton as a great Gulf Coast getaway for a business meeting, board meeting, etc. In 2013, Rockport was featured as one of the "Best Places to Live and Visit." According to the "Today in America" television show. In 2014 Rockport was ranked seventh and eighth, respectively, in Budget Travel's "America's Coolest Small Towns" listing and Where to Retiree's "Top 8 Places to Retire." In 2015, CNN listed Rockport number 11 on its list of "America's Best Little Beach Towns." More recently, in 2020 and 2021 USA Today placed it number four and three, respectively, on their "10 Best Coastal Small Towns" and Texas Highways put Rockport number six on its recommendation of "Texas Top 40" travel destinations.

Rockport is a unique community made up largely of second homes. Rockport is a destination point for tourists and seasonal visitors. Permanent residents in Rockport currently total approximately 11,100, but the City has physical and human infrastructure to accommodate a regular population of 20,000 and over 35,000 during special events and holidays.

Property Values in the City of Rockport increased from $2,169,870,375 in 2024 to $2,393,610,775 in 2025. This is an increase of $223,740,400 or a 9.3% increase in property tax values.

Building permits decreased by 548 permits between 2024 and 2025, due to a slowdown in the construction market leaving more time to focus on building inspections which increased by 484 during the same period.

Sales tax revenues were $3,851,935 in 2025 which is $170,194 or 4.622% higher than sales tax revenue in 2024 which totaled $3,681,742. Sales tax revenue continues to increase or remain steady with last year's revenues.

Hotel Occupancy Taxes were $1,223,419 in 2025 which is $84,539 or 7.42% higher than Hotel Occupancy Taxes in 2024 which totaled $1,138,880. Hotel occupancy tax revenues remain steady or slightly higher than last year's revenues.

Economic Outlook: The City of Rockport has seen slow growth over the past several years. The local state of economy continues to show signs of continued steady growth and strength. As a result, commercial growth and sales tax receipts in Rockport continue to be on a positive track. The unknown tracks of the national and global economies will be continually monitored to determine what impact, if any, it will have to the City.

MAJOR INITIATIVES

As a forward-focused city working to improve the quality of life for our citizens and provide opportunities for growth in the business sector, the City of Rockport is always looking to improve infrastructure and reduce our operating costs. The City has ongoing construction projects including waste water treatment plant improvements, the new City Hall building, and drainage improvements.

AWARDS AND ACKNOWLEDGEMENTS

The City of Rockport intends to submit its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2025 for the Government Finance Officers Association (GFOA)'s consideration for the Certificate of Achievement for Excellence in Financial Reporting to the City of Rockport for the first time since 2020. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized ACFR that satisfied 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 ACFR 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.

The preparation of this report was made possible by the efficient and dedicated service of the entire staff of the finance and administration departments. We appreciate the efforts of everyone involved. We wish to also express our appreciation to the Mayor and all City Council members for their unfailing support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully Submitted,

____

Robbie Sorrell
Director of Finance

CITY OF ROCKPORT, TEXAS
ELECTED AND APPOINTED OFFICIALS
YEAR ENDED SEPTEMBER 30, 2025

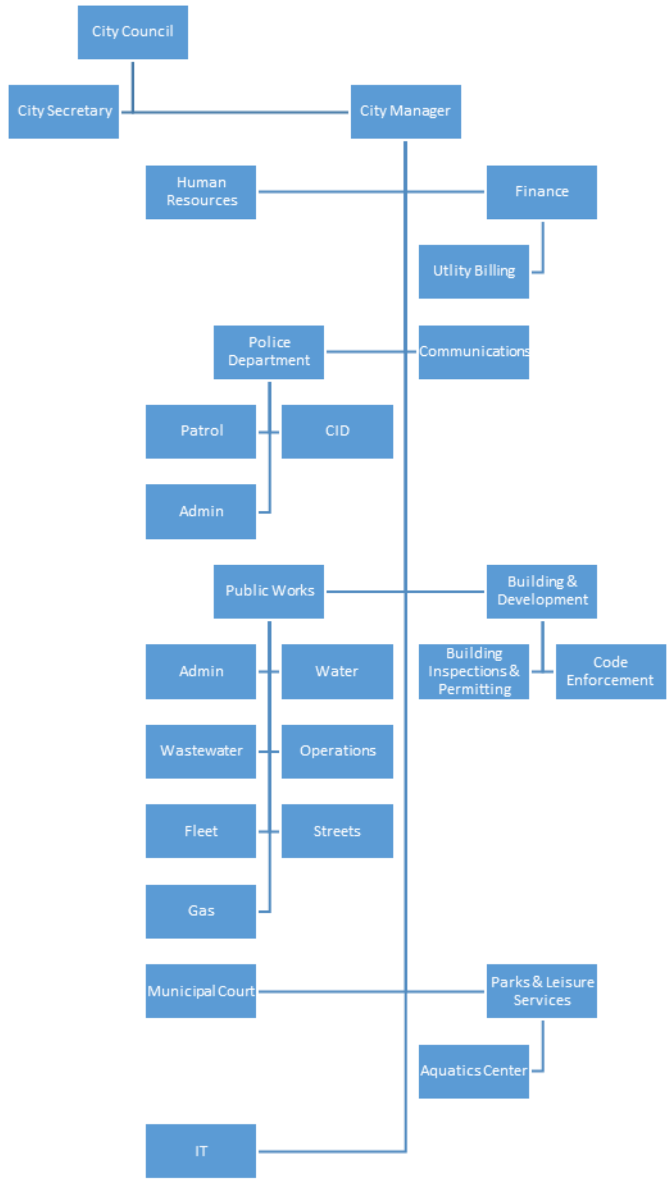
ELECTED OFFICIALS

MAYOR	LOWELL TIMOTHY "TIM" JAYROE
MAYOR PRO TEM & WARD 4 COUNCIL MEMBER	ANDREA HATTMAN
WARD 1 COUNCIL MEMBER	STEPHANIE RANGEL
WARD 2 COUNCIL MEMBER	MATT ANDERSON
WARD 3 COUNCIL MEMBER	BRAD BRUNDRETT

APPOINTED OFFICIALS

CITY MANAGER	VANESSA SHRAUNER
DIRECTOR OF FINANCE	ROBBIE SORRELL
CITY SECRETARY	SHELLEY GOODWIN
POLICE CHIEF	NATHAN ANDERSON
PUBLIC WORKS DIRECTOR	RYAN PICARRAZZI
CITY ATTORNEY	MESSER FORT, PLLC

CITY OF ROCKPORT
ORGANIZATIONAL CHART



CITY OF ROCKPORT CITY COUNCIL

Lowell Timothy “Tim” Jayroe
Mayor

Stephanie Rangel
Ward 1 Council Member

Matt Anderson
Ward 2 Council Member

Brad Brundrett
Ward 3 Council Member

Andrea Hattman
Mayor Pro Tem &
Ward 4 Council Member

CITY OF ROCKPORT EXECUTIVE TEAM


Vanessa Shrauner
City Manager


Shelley Goodwin
City Secretary


Kimberly Henry
Assistant to the City Manager

Nathan Anderson
Chief of Police


Robbie Sorrell
Director of Finance


Ryan Picarazzi
Director of Public Works


Lee Brown
Director of Communications


Carey Deitrich
Director of Building and Development


Kaycee Eddins
Human Resources Manager

CITY OF ROCKPORT EXECUTIVE TEAM (CONT.)

Nannette Eiland
CVB Marketing Manager

Brittany Aguirre
Park & Leisure Services Director

Robert Argetsinger
IT Director

Christie Stevens
Municipal Court Administrator

FINANCIAL SECTION

Armstrong, Vaughan & Associates, P. C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Rockport, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Rockport, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise City of Rockport's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 City of Rockport, 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 of Rockport 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.

Change in Accounting Principle

As discussed in Note 17 to the financial statements, in 2025, the entity adopted new accounting guidance in GASB Statement 101 related to compensated absences. Our opinion is not modified with respect to this matter.

Emphasis of Matter – Gas System Sale

As discussed in Note 17, on September 29, 2025, the City sold the natural gas utility and related infrastructure to the City of Corpus Christi for $5.5 million. The proceeds from the sale of $5.5 million were used to pay the outstanding debts of the utility. The remaining funds in the utility were transferred to the general fund.

941 West Byrd Blvd., Suite 101 • Universal City, Texas 78148
Phone: 210-658-6229 • Fax: 210-659-7611 • Email: info@avacpa.com • www.avacpa.com

Responsibilities of Management for the Financial Statements

City of Rockport's 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 of Rockport'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.

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 City of Rockport'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 City of Rockport'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 the management's discussion and analysis, budgetary comparison information, and schedules related to the City's net pension and total other postemployment benefit liabilities, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Rockport's basic financial statements. The supplementary information (as identified in the table of contents) is 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 supplementary information, including the SEFA, 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. Such 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 supplementary information and SEFA 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 section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 March 4, 2026 on our consideration of City of Rockport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 City of Rockport's internal control over financial reporting and compliance.

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.

March 4, 2026

As management of the City of Rockport, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Rockport for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at September 30, 2025 by $86.5 million (net position). Of this amount, $18.5 million (unrestricted net position), may be used to meet the government's ongoing obligations to citizens and creditors.

- The government's total net position increased from operations by $8.2 million. This increase is partly from capital grants received and good cost control measures.

- As of September 30, 2025, the City's governmental funds reported combined ending fund balances of $22.1 million, an increase of $4.4 million. The increase was largely from the sale and closure of the gas utility at year end.

- On October 1, 2024, the City issued $3.075 million in tax notes to finance the purchase of equipment, pool repairs and utility system improvements.

Overview of the Financial Statements

The management discussion and analysis is intended to serve as the introduction of the City of Rockport, Texas' basic financial statements which are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business financial presentation.

The statement of net position presents information on all the City's assets and liabilities, with the difference between the two 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 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. uncollected taxes and earned but unused vacation leave.)

Both government-wide financial statements distinguish functions of the City 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 their user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, tourism and culture and recreation. The business-type activities of the City include a water and sewer utility, a natural gas utility, sanitation and an aquatic center. The government-wide financial statements start on page 14 of this report.

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, like other state and 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 and proprietary. These types utilize different accounting approaches.

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 near-term inflows and outflows of spendable resources available for current spending, as well as on balances of resources available for spending 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 government'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 maintains eighteen (18) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund, CDBG grant fund and the debt service fund, which are considered major funds. Data from the other fourteen (14) governmental funds are combined into a single, aggregated presentation. Details of the fourteen (14) nonmajor governmental funds are presented in the supplementary information section which begins on page 68. The City adopts an annual appropriated budget for all governmental funds with a legally adopted budget except the capital project funds (CDBG grant fund and capital projects fund). Budgetary comparison statements have been provided to demonstrate compliance with this budget for those funds that have a legally adopted budget. The basic governmental fund financial statements can be found starting on page 18 of this report.

Proprietary Funds – The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. The City maintains five proprietary funds with two types: Enterprise and Internal Service. 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 the operation and maintenance of its water and sewer utility, natural gas utility, sanitation service and aquatic center. These enterprise funds provide services to customers which include the City and residents of the community. The City has one internal service fund for fleet services that only serves the City by pooling maintenance activities and charging various departments for their share of the cost. The basic proprietary fund financial statements can be found starting on page 23 of this report.

Notes to the Basic 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. The notes to the financial statements can be found on page 28 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund budgetary comparison and progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees and retirees. Required supplementary information can be found on page 55 of the City's annual comprehensive financial report.

The combining statements referred to earlier as the City's nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual budgetary comparison schedules can be found starting on page 70 of the City's annual comprehensive financial report.

Government-wide Financial Analysis

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $86.5 million (net position). Of this amount, $18.5 million (unrestricted net position) may be used to meet the ongoing obligations to citizens and creditors.

The largest portion of the City's net position (74%) is its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Although the City's investment in its 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. The next largest portion of the City's net position (21%) is unrestricted while approximately (5%) represents resources that are subject to external restrictions on how they may be used.

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and Other Assets	$ 25,450,903	$ 21,512,383	$ 17,770,541	$ 21,515,198	$ 43,221,444	$ 43,027,581
Capital Assets	60,720,340	57,640,932	38,063,018	39,231,335	98,783,358	96,872,267
Total Assets	86,171,243	79,153,315	55,833,559	60,746,533	142,004,802	139,899,848
Deferred Outflows of Resources	1,833,860	2,917,386	654,842	1,081,917	2,488,702	3,999,303
Liabilities						
Current Liabilities	2,827,018	3,409,042	3,707,262	3,889,473	6,534,280	7,298,515
Long-term Liabilities	38,000,942	39,050,944	11,916,747	17,775,427	49,917,689	56,826,371
Total Liabilities	40,827,960	42,459,986	15,624,009	21,664,900	56,451,969	64,124,886
Deferred Inflows of Resources	1,153,692	1,096,962	340,648	341,325	1,494,340	1,438,287
Net Position						
Net Investment in Capital Assets	33,043,923	28,326,097	31,027,323	26,293,567	64,071,246	54,619,664
Restricted	3,944,065	4,034,865	-	-	3,944,065	4,034,865
Unrestricted	9,035,463	6,152,791	9,496,421	13,528,658	18,531,884	19,681,449
Total Net Position	$ 46,023,451	$ 38,513,753	$ 40,523,744	$ 39,822,225	$ 86,547,195	$ 78,335,978

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

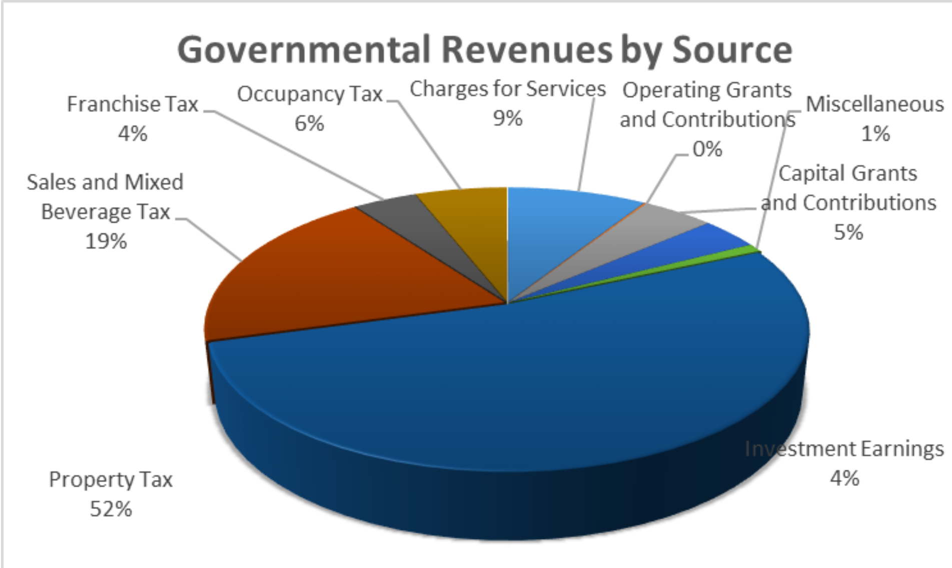
The following table indicates changes in net position for the governmental and business-type activities for the City as of September 30, 2025.

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
Revenues:	2025	2024	2025	2024	2025	2024
Program Revenues:						
Charges for Services	$ 1,878,712	$ 1,894,800	$ 20,944,354	$ 21,057,525	$ 22,823,066	$ 22,952,325
Operating Grants and Contributions	62,909	24,270	-	-	62,909	24,270
Capital Grants and Contributions	1,209,875	2,196,215	1,236,752	1,607,884	2,446,627	3,804,099
General Revenues						
Taxes						
Property Taxes	10,835,913	9,401,378	-	-	10,835,913	9,401,378
Sales and Mixed Beverage	3,994,167	3,813,550	-	-	3,994,167	3,813,550
Franchise Taxes	842,978	853,903	-	-	842,978	853,903
Occupancy Taxes	1,226,972	1,138,880	-	-	1,226,972	1,138,880
Investment Earnings	761,712	916,070	254,313	314,548	1,016,025	1,230,618
Miscellaneous	260,057	395,586	626,489	-	886,546	395,586
Total Revenues	21,073,295	20,634,652	23,061,908	22,979,957	44,135,203	43,614,609
Expenses:						
General Government	5,728,482	4,600,530	-	-	5,728,482	4,600,530
Public Safety	6,316,768	6,139,101	-	-	6,316,768	6,139,101
Public Works	1,510,945	1,789,803	-	-	1,510,945	1,789,803
Culture & Recreation	1,556,569	1,502,690	-	-	1,556,569	1,502,690
Tourism	1,300,843	1,428,712	-	-	1,300,843	1,428,712
Water and Sewer	-	-	11,873,332	12,609,801	11,873,332	12,609,801
Natural Gas Utility	-	-	2,662,966	2,079,782	2,662,966	2,079,782
Sanitation	-	-	3,354,419	3,285,525	3,354,419	3,285,525
Aquatic Center	-	-	694,606	709,496	694,606	709,496
Interest	925,056	553,507	-	-	925,056	553,507
Total Expenses	17,338,663	16,014,343	18,585,323	18,684,604	35,923,986	34,698,947
INCREASE IN NET POSITION BEFORE TRANSFERS	3,734,632	4,620,309	4,476,585	4,295,353	8,211,217	8,915,662
Transfers In (Out)	3,775,066	1,025,511	(3,775,066)	(1,025,511)	-	-
CHANGE IN NET POSITION	7,509,698	5,645,820	701,519	3,269,842	8,211,217	8,915,662
BEGINNING NET POSITION	38,513,753	32,833,237	39,822,225	35,304,384	78,335,978	68,137,621
Prior Period Adjustment	-	34,696	-	1,247,999	-	1,282,695
ENDING NET POSITION	$ 46,023,451	$ 38,513,753	$ 40,523,744	$ 39,822,225	$ 86,547,195	$ 78,335,978

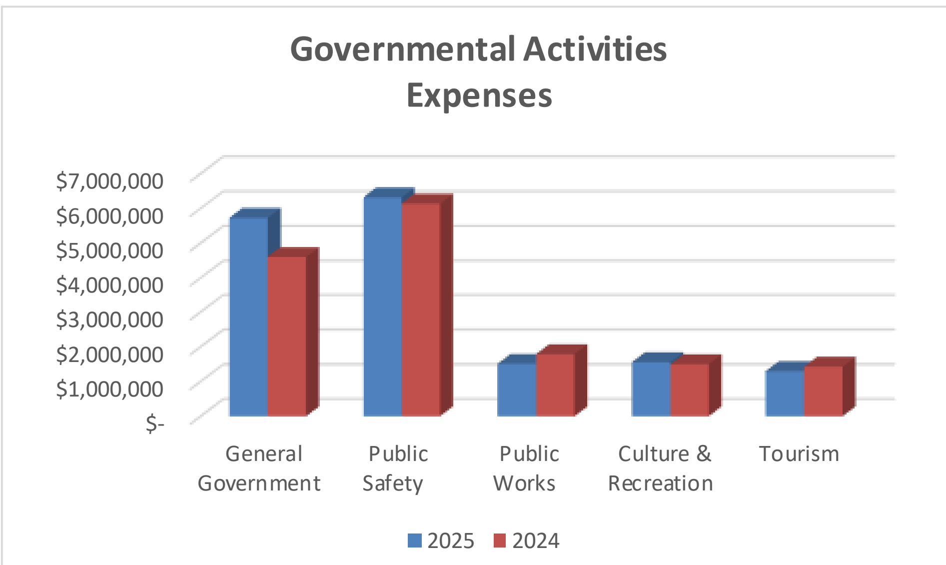
Governmental Activities – Governmental activities increased the City's net position by $7.5 million. Key elements are as follows:

- Revenues increased by 2.13% from the prior year. Increases in property tax collections help offset the impact of reduced grant activity.
- Expenses increased 8%. The City is investing in significant capital improvements which do not show up in this statement until depreciation starts. Operations were largely unchanged. General government expenses increased due to an increase in salaries and wages from the previous year.

The following chart shows governmental activities revenues by source:



Below is a chart which compares the expenses for all governmental activities to the prior year:



Business-Type Activities - The City's business-type activities consist of the following:

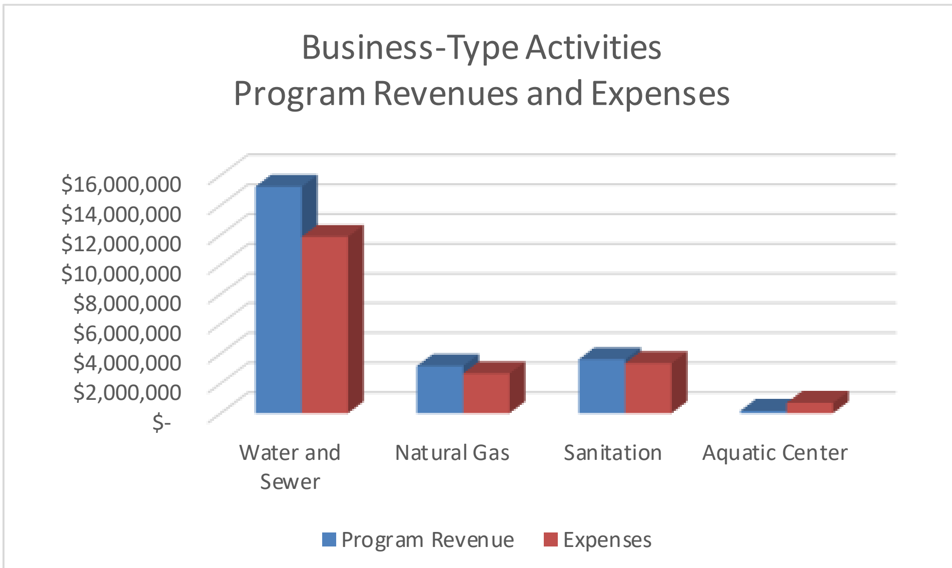
Water and sewer – The City maintains a utility system that distributes water from the San Patricio Municipal Utility District to customers in the City's service area and collects wastewater for treatment. For 2025, Water and Sewer revenues decreased by $198 thousand due to a decrease in water sales. The charges to customers decreased about 2%. Costs decreased $736 thousand in 2025 (8%) for decreased maintenance activities and capital asset disposals.

Natural Gas – The City purchases natural gas and distributes it to customers in the service area through the City owned infrastructure. Charges for services increased approximately 5% and costs increased approximately 28% from the previous year due to increased personnel costs and an increase in gas sales. Effective September 29, 2025, the City sold the natural gas utility and related infrastructure to the City of Corpus Christi for $5.5 million. The proceeds were used to defease the outstanding debts of the natural gas utility.

Sanitation – The City contracts with a waste management provider to collect garbage and bills the residents and businesses for their estimated cost of collection. Charges for services increased 5% for inflation on contractor pricing and new customers being served. Costs similarly increased 2%.

Aquatic Center – The City maintains a pool and charges for admission and rentals. The charges for services increased $5 thousand but this was still not enough to cover the costs of the pool. Additional support from the General Fund was provided.

A comparison between expenses and program revenues (charges for services) for business-type activities follows:



Financial Analysis of the Government's Funds

As noted earlier, the City of Rockport 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.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $22.1 million, an increase of $4.4 million from the prior year. $9.7 million (44%) of the ending fund balance is unassigned, which is available for spending at the City's discretion. The remaining amount of $12.4 million (56%) is nonspendable, restricted, or assigned for specific purposes.

The City's general fund is the chief operating fund of the City and is used to account for all financial resources except those required to be accounted for by another fund. Property and sales taxes provide the major source of income. The general fund balance increased $5.4 million in 2025 to $10 million. The City's revenues were $1.8 million lower than anticipated and spending was under budget across most functions. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The unassigned fund balance represents a little under 11 months of general fund operating expenditures.

The capital projects fund balance increased $1.3 million in 2025 and ended with $8.2 million. The increase was the result of the issuance of the 2024 tax note. The CDBG capital grant fund decreased its fund balance by $1.7 million and is currently working on grant funded street and drainage improvements.

The debt service fund had a total restricted fund balance of $1.7 million, an increase of $218 thousand. The debt service fund levies property taxes to pay for schedule debt service. The total fund balance is restricted for the payment of debt service.

Other nonmajor governmental funds decreased their fund balance by $834 thousand. Most of the decrease was driven by increases in expenditures for public safety and tourism.

Proprietary Funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements except for the City's internal service fund: fleet service. Fleet services charges other City departments for the costs to maintain their equipment which decreased $400 thousand in 2025. This was not enough to cover all the costs of the operation. The general fund contributed an additional $547 thousand to fund the current and prior deficits in fleet service.

Budgetary Highlights

General Fund – The City did amended the General Fund budget in fiscal year 2024-2025. The budget anticipated no change to fund balance. However, general fund revenues were less than budgetary estimates by $1.8 million, primarily due to less franchise tax revenue than anticipated. Additionally, expenditures were less than budgetary estimates by $2.26 million. The budget savings were across nearly all departments. Ultimately, fund balance increased $5.4 million rather than remaining the same as expected.

Capital Asset and Debt Administration

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of September 30, 2025 amounted to $98.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, equipment and utility systems. The City's most significant additions during the year ending September 30, 2025 included continued city hall construction and drainage improvements. More detailed information if desired on the City's capital asset activity is presented in the notes to the financial statements (Note 6).

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 10,456,139	$ 10,456,139	$ 214,953	$ 214,953	$ 10,671,092	$ 10,671,092
Construction in Progress	30,367,095	27,233,463	5,096,999	2,458,230	35,464,094	29,691,693
Total Not Depreciated	40,823,234	37,689,602	5,311,952	2,673,183	46,135,186	40,362,785
Buildings and Improvements	3,203,022	3,203,022	6,567,931	6,267,663	9,770,953	9,470,685
Streets and Infrastructure	23,919,178	22,883,322	-	-	23,919,178	22,883,322
Machinery and Equipment	6,335,586	6,202,584	3,205,883	1,644,764	9,541,469	7,847,348
Utility Systems	-	-	45,298,935	51,735,159	45,298,935	51,735,159
Accumulated Depreciation	(13,560,680)	(12,337,598)	(22,321,683)	(23,089,434)	(35,882,363)	(35,427,032)
Total Depreciated	19,897,106	19,951,330	32,751,066	36,558,152	52,648,172	56,509,482
Total	$ 60,720,340	$ 57,640,932	$ 38,063,018	$ 39,231,335	$ 98,783,358	$ 96,872,267

Long-Term Debt – As of September 30, 2025, the City had total debt outstanding (bonds, notes and leases) of $36 million. This amount is backed by the full faith and credit of the City, although utility systems have pledged their revenues to support portions of these debts. In October, 2024, the City issued $3.075 million in tax notes to finance the purchase of equipment, pool repairs and utility system improvements. The City received a AA- rating from S&P Global during the Series 2022 bond issue process. More detailed information about the City's long-term liabilities is presented in Notes 7 and 8 of the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The 2025-2026 increased the property tax rate from $0.405294 per $100 of value to $0.446530. This is expected to generate $1.77 million in additional tax revenue roughly split between the general and debt service funds. General fund spending is not expected to change appreciably. The City intends to issue 2025 Tax Notes for $5.1 million for capital improvement projects and utility system maintenance.

Requests for Information

This financial report is designed to provide our 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 any questions about this report or need additional financial information, contact the finance department, at the City of Rockport, 212 N Live Oak St, Rockport, Texas 78382.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide financial statements
- Fund financial statements
    - Governmental funds
    - Proprietary funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF ROCKPORT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 20,441,440	$ 15,396,863	$ 35,838,303
Investments	245,000	-	245,000
Receivables (net of allowances):			
Property Taxes	186,051	-	186,051
Sales Tax	655,829	-	655,829
Other	3,172,244	2,170,404	5,342,648
Inventory	98,411	342,234	440,645
Prepaid Items	183,243	329,725	512,968
Internal Balances	468,685	(468,685)	-
Capital Assets:			
Land	10,456,139	214,953	10,671,092
Construction in Progress	30,367,095	5,096,999	35,464,094
Buildings and Improvements (net)	1,534,680	3,394,689	4,929,369
Streets and Infrastructure (net)	16,523,393	-	16,523,393
Machinery and Equipment (net)	1,839,033	1,998,073	3,837,106
Utility System (net)	-	27,358,304	27,358,304
TOTAL ASSETS	86,171,243	55,833,559	142,004,802
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Related Outflows	1,292,170	457,335	1,749,505
Deferred OPEB Related Outflows	541,690	197,507	739,197
TOTAL DEFERRED OUTFLOWS	$ 1,833,860	$ 654,842	$ 2,488,702

See accompanying notes to basic financial statements.

CITY OF ROCKPORT
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2025

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	$ 2,426,546	$ 1,196,310	$ 3,622,856
Accrued Interest Payable	137,145	35,999	173,144
Accrued Wages	184,113	56,582	240,695
Customer Deposits Payable	45	2,418,371	2,418,416
Unearned Revenue	79,169	-	79,169
Long-term Liabilities			
Due in One Year			
Compensated Absences	268,129	137,598	405,727
Bonds, Notes, and Premiums	3,381,373	1,453,022	4,834,395
Total Other Postemployment Benefit Liability	181,811	137,460	319,271
Due in More than One Year:			
Compensated Absences	349,579	412,795	762,374
Bonds, Notes, and Premiums	25,562,485	5,582,673	31,145,158
Net Pension Liability	4,847,021	1,636,985	6,484,006
Total Other Postemployment Benefit Liability	3,410,544	2,556,214	5,966,758
TOTAL LIABILITIES	40,827,960	15,624,009	56,451,969
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Related Inflows	391,339	129,671	521,010
Deferred OPEB Related Inflows	762,353	210,977	973,330
TOTAL DEFERRED INFLOWS	1,153,692	340,648	1,494,340
NET POSITION			
Net Investment In Capital Assets	33,043,923	31,027,323	64,071,246
Restricted For:			
Debt Service	1,594,797	-	1,594,797
Tree Mitigation	175,274	-	175,274
Tourism Development	1,831,871	-	1,831,871
Public Safety	254,240	-	254,240
Public Education	57,943	-	57,943
Other	29,940	-	29,940
Unrestricted	9,035,463	9,496,421	18,531,884
TOTAL NET POSITION	$ 46,023,451	$ 40,523,744	$ 86,547,195

See accompanying notes to basic financial statements.

CITY OF ROCKPORT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues		
Functions and Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	$ 5,728,482	$ 748,838	$ -	$ -
Public Safety	6,316,768	1,079,176	62,709	171,542
Public Works	1,510,945	-	-	1,038,333
Culture and Recreation	1,556,569	50,153	200	-
Tourism	1,300,843	545	-	-
Interest	925,056	-	-	-
Total Governmental Activities	17,338,663	1,878,712	62,909	1,209,875
Business-Type Activities				
Water and Sewer	11,873,332	14,001,217	-	1,236,752
Natural Gas Utility	2,662,966	3,162,371	-	-
Sanitation	3,354,419	3,612,079	-	-
Aquatic Center	694,606	168,687	-	-
Total Business-Type Activities	18,585,323	20,944,354	-	1,236,752
Total Primary Government	$ 35,923,986	$ 22,823,066	$ 62,909	$ 2,446,627
General Revenues:				
Taxes:				
Property Taxes for General Purposes				
Property Taxes for Debt Service				
Sales and Mixed Beverage Taxes				
Franchise Taxes				
Occupancy Taxes				
Investment Earnings				
Miscellaneous				
Total General Revenues				
Transfers In (Out)				
Change in Net Position				
Net Position at Beginning of Year				
Net Position at End of Year				

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (4,979,644)	$ -	$ (4,979,644)
(5,003,341)	-	(5,003,341)
(472,612)	-	(472,612)
(1,506,216)	-	(1,506,216)
(1,300,298)	-	(1,300,298)
(925,056)	-	(925,056)
(14,187,167)	-	(14,187,167)
-	3,364,637	3,364,637
-	499,405	499,405
-	257,660	257,660
-	(525,919)	(525,919)
-	3,595,783	3,595,783
(14,187,167)	3,595,783	(10,591,384)
6,304,859	-	6,304,859
4,531,054	-	4,531,054
3,994,167	-	3,994,167
842,978	-	842,978
1,226,972	-	1,226,972
761,712	254,313	1,016,025
260,057	626,489	886,546
17,921,799	880,802	18,802,601
3,775,066	(3,775,066)	-
7,509,698	701,519	8,211,217
38,513,753	39,822,225	78,335,978
$ 46,023,451	$ 40,523,744	$ 86,547,195

CITY OF ROCKPORT
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Major Funds			
	General Fund	Capital Projects	CDBG Capital Grant	Debt Service
ASSETS				
Cash and Cash Equivalents	$ 8,276,601	$ 7,047,149	$ 257,902	$ 1,656,463
Investments	-	245,000	-	-
Receivables (net of allowances):				
Property Taxes	110,572	-	-	75,479
Sales Tax	655,829	-	-	-
Other	1,081,838	1,863,246	62,240	-
Due From Other Funds	536,192	-	-	-
Inventory	89,159	-	-	-
Prepaid Items	183,243	-	-	-
TOTAL ASSETS	$ 10,933,434	$ 9,155,395	$ 320,142	$ 1,731,942
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 618,667	$ 990,436	$ 320,142	$ -
Accrued Wages	151,582	-	-	-
Due to Other Funds	8,594	-	-	-
Unearned Grant Revenue	79,169	-	-	-
Total Liabilities	858,012	990,436	320,142	-
Deferred Inflows of Resources:				
Unavailable Property Tax Revenue	110,572	-	-	75,479
Total Deferred Inflows of Resources	110,572	-	-	75,479
Fund Balances:				
Nonspendable:				
Inventory	89,159	-	-	-
Prepaid Items	183,243	-	-	-
Restricted for:				
Debt Service	-	-	-	1,656,463
Tree Mitigation	-	-	-	-
Tourism Development	-	-	-	-
Public Safety	-	-	-	-
Public Education	-	-	-	-
Capital Projects	-	1,267,441	-	-
Other	-	-	-	-
Assigned For:				
Capital Projects	-	6,897,518	-	-
Unassigned	9,692,448	-	-	-
Total Fund Balances	9,964,850	8,164,959	-	1,656,463
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 10,933,434	$ 9,155,395	$ 320,142	$ 1,731,942

See accompanying notes to basic financial statements.

Other Nonmajor Governmental Funds	Total Governmental Funds
$ 2,716,855	$ 19,954,970
-	245,000
-	186,051
-	655,829
165,126	3,172,450
8,594	544,786
-	89,159
-	183,243
$ 2,890,575	$ 25,031,488
$ 449,214	$ 2,378,459
24,586	176,168
67,507	76,101
-	79,169
541,307	2,709,897
-	186,051
-	186,051
-	89,159
-	183,243
-	1,656,463
175,274	175,274
1,831,871	1,831,871
254,240	254,240
57,943	57,943
-	1,267,441
29,940	29,940
-	6,897,518
-	9,692,448
2,349,268	22,135,540
$ 2,890,575	$ 25,031,488

See accompanying notes to basic financial statements.

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

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		$ 22,135,540
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.		60,720,340
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenue in the funds.		186,051
Accrued vacation leave payable is not due and payable in the current period and, therefore, is not reported in the funds.		(617,708)
Internal Service Funds are used to charge the cost of fleet management to other departments and are presented with proprietary funds. However, their activities are governmental in nature and are presented with governmental activities. This amount represents the working capital of the fleet services fund.		439,439
Long-term liabilities, including bonds payable and related premiums, are not due and payable in the current period and therefore, not reported in the funds:		
Bonds, Notes and Leases Payable	(27,348,919)	
Unamortized Premiums	(1,594,939)	
Accrued Interest Payable	(137,145)	(29,081,003)
Net Pension Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds:		
Net Pension Liability	(4,847,021)	
Pension Related Deferred Inflows	(391,339)	
Pension Related Deferred Outflows	1,292,170	(3,946,190)
OPEB Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds:		
OPEB Liabilities	(3,592,355)	
OPEB Related Deferred Inflows	(762,353)	
OPEB Related Deferred Outflows	541,690	(3,813,018)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		$ 46,023,451

See accompanying notes to basic financial statements.

CITY OF ROCKPORT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Major Funds				Other	
	General Fund	Capital Projects	CDBG Capital Grant	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	$ 6,234,069	$ -	$ -	$ 4,531,054	$ -	$ 10,765,123
Sales and Mixed Beverage Taxes	3,984,085	-	-	-	-	3,984,085
Franchise Taxes	817,773	-	-	-	25,205	842,978
Occupancy Tax	-	-	-	-	1,226,972	1,226,972
Licenses and Permits	590,764	-	-	-	48,200	638,964
Grants and Donations	126,267	-	972,396	-	229,614	1,328,277
Charges for Services	11,000	-	-	-	929,071	940,071
Fines and Forfeitures	167,407	-	-	-	37,204	204,611
Investment Earnings	98,639	633,007	4	29	30,034	761,713
Miscellaneous	118,173	-	505	-	19,837	138,515
TOTAL REVENUES	12,148,177	633,007	972,905	4,531,083	2,546,137	20,831,309
EXPENDITURES						
Current:						
General Government	3,318,880	-	1,260	-	70,459	3,390,599
Public Safety	4,010,613	-	-	-	1,658,565	5,669,178
Public Works	1,687,430	-	-	-	-	1,687,430
Culture and Recreation	1,299,217	-	-	-	21,852	1,321,069
Tourism	-	-	-	-	1,300,843	1,300,843
Capital Outlay	64,063	1,196,453	2,803,638	-	952,089	5,016,243
Debt Service:						
Principal	-	-	-	3,173,681	-	3,173,681
Interest	-	-	-	1,139,372	-	1,139,372
Issuance Costs	-	60,000	-	-	-	60,000
TOTAL EXPENDITURES	10,380,203	1,256,453	2,804,898	4,313,053	4,003,808	22,758,415
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,767,974	(623,446)	(1,831,993)	218,030	(1,457,671)	(1,927,106)
OTHER FINANCING SOURCES (USES)						
Issuance of Tax Notes	-	3,075,000	-	-	-	3,075,000
Transfers In	5,672,909	-	100,590	-	623,501	6,397,000
Transfers Out	(2,042,629)	(1,125,828)	-	-	-	(3,168,457)
TOTAL OTHER FINANCING SOURCES (USES)	3,630,280	1,949,172	100,590	-	623,501	6,303,543
Net Change in Fund Balance	5,398,254	1,325,726	(1,731,403)	218,030	(834,170)	4,376,437
Fund Balances at Beginning of Year	4,566,596	6,839,233	1,731,403	1,438,433	3,183,438	17,759,103
Fund Balances at End of Year	$ 9,964,850	$ 8,164,959	$ -	$ 1,656,463	$ 2,349,268	$ 22,135,540

See accompanying notes to basic financial statements.

CITY OF ROCKPORT
RECONCILIATION OF THE STATEMENT OF REVENUES, GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ 4,376,437
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 expense.		
Capital Outlay	4,357,009	
Depreciation Expense	(1,326,101)	3,030,908
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		12,429
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, which the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Issuance of Notes Payable	(3,075,000)	
Principal Repayments	3,173,681	98,681
Governmental funds report required contributions to employee postemployment benefits as expenditures. However, in the Statement of Activities the cost of the benefit is recorded based on the actuarially determined cost of the plan. This is the amount that actuarially determined benefit expense exceeded contributions.		
Pension Plan	(375,994)	
OPEB Benefits - Death Benefit	(89,613)	
OPEB Benefits - Retiree Health	3,366	(462,241)
Revenues and expenses of governmental internal service funds are consolidated into governmental activities. This amount represents the change in net position not not already represented elsewhere on this page.		178,471
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:		
Compensated Absences	696	
Amortization of Bond Premiums	280,153	
Amortization of Bond Refunding Differences	(7,856)	
Accrued Interest	2,020	275,013
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		$ 7,509,698

See accompanying notes to basic financial statements.

CITY OF ROCKPORT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities					Governmental
	Major Funds			Nonmajor		Internal
	Water and Wastewater	Natural Gas	Sanitation	Aquatic Center	Total	Fleet Service
ASSETS						
Current Assets:						
Cash and Cash Equivalents	$ 13,667,809	$ -	$ 1,719,859	$ 9,195	$ 15,396,863	$ 486,472
Accounts Receivable, Net of Allowance:						
Customer Accounts	1,828,332	-	342,072	-	2,170,404	-
Inventory	342,234	-	-	-	342,234	9,252
Prepaid Items	329,725	-	-	-	329,725	-
Total Current Assets	16,168,100	-	2,061,931	9,195	18,239,226	495,724
Nonurrent Assets:						
Capital Assets:						
Land	110,653	-	-	104,300	214,953	-
Construction in Progress	5,096,999	-	-	-	5,096,999	-
Buildings (net)	2,638,023	-	-	756,666	3,394,689	-
Utility System (net)	27,358,304	-	-	-	27,358,304	-
Transportation and Equipment (net)	1,998,073	-	-	-	1,998,073	78,758
Total Noncurrent Assets	37,202,052	-	-	860,966	38,063,018	78,758
TOTAL ASSETS	53,370,152	-	2,061,931	870,161	56,302,244	574,482
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Pension Related Outflows	432,779	-	-	24,556	457,335	36,229
Deferred OPEB Related Outflows	193,452	-	-	4,055	197,507	16,871
TOTAL DEFERRED OUTFLOWS OF RESOURCES	626,231	-	-	28,611	654,842	53,100
TOTAL ASSETS & DEFERRED OUTFLOWS	$ 53,996,383	$ -	$ 2,061,931	$ 898,772	$ 56,957,086	$ 627,582
LIABILITIES						
Current Liabilities:						
Accounts Payable	$ 893,214	$ -	$ 299,182	$ 3,914	$ 1,196,310	$ 48,287
Accrued Wages	56,582	-	-	-	56,582	7,944
Accrued Interest	35,999	-	-	-	35,999	-
Due to Other Funds	-	-	-	468,685	468,685	-
Current Portion of Compensated Absences	137,598	-	-	-	137,598	8,770
Current Portion of Long-term Debt	1,453,022	-	-	-	1,453,022	-
Current Portion of Total OPEB Liability	137,460	-	-	-	137,460	-
Customer Deposits Payable	2,418,371	-	-	-	2,418,371	-
Total Current Liabilities	5,132,246	-	299,182	472,599	5,904,027	65,001
Noncurrent Liabilities:						
Compensated Absences	412,795	-	-	-	412,795	26,306
Long-term Debt	5,582,673	-	-	-	5,582,673	-
Net Pension Liability	1,576,676	-	-	60,309	1,636,985	165,565
Total Other Postemployment Benefit Liability	2,480,291	-	-	75,923	2,556,214	181,111
Total Noncurrent Liabilities	10,052,435	-	-	136,232	10,188,667	372,982
TOTAL LIABILITIES	15,184,681	-	299,182	608,831	16,092,694	437,983
DEFERRED INFLOWS OF RESOURCES						
Deferred Pension Related Inflows	127,734	-	-	1,937	129,671	15,501
Deferred OPEB Related Inflows	198,068	-	-	12,909	210,977	27,987
TOTAL DEFERRED INFLOWS OF RESOURCES	325,802	-	-	14,846	340,648	43,488
NET POSITION						
Net Investment in Capital Assets	30,166,357	-	-	860,966	31,027,323	78,758
Unrestricted	8,319,543	-	1,762,749	(585,871)	9,496,421	67,353
TOTAL NET POSITION	38,485,900	-	1,762,749	275,095	40,523,744	146,111
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 53,996,383	$ -	$ 2,061,931	$ 898,772	$ 56,957,086	$ 627,582

See accompanying notes to basic financial statements.

CITY OF ROCKPORT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities					Governmental
	Major Funds			Nonmajor		Internal
	Water and Wastewater	Natural Gas	Sanitation	Aquatic Center	Total	Fleet Service
OPERATING REVENUES						
Water Sales	$ 8,575,229	$ -	$ -	$ -	$ 8,575,229	$ -
Sewer Charges	4,297,796	-	-	-	4,297,796	-
Natural Gas Sales	-	2,806,911	-	-	2,806,911	-
Garbage Collection	-	-	3,579,467	-	3,579,467	-
Penalties and Fees	1,004,733	354,296	32,612	-	1,391,641	-
Other Charges	123,459	1,164	-	168,687	293,310	568,067
TOTAL OPERATING REVENUES	14,001,217	3,162,371	3,612,079	168,687	20,944,354	568,067
OPERATING EXPENSES						
Personnel	2,697,305	670,995	-	395,023	3,763,323	361,826
Maintenance and Operations	2,299,034	422,323	-	189,001	2,910,358	574,264
Garbage Service	-	-	3,338,419	-	3,338,419	-
Administration and Other	1,351,771	288,366	16,000	33,995	1,690,132	20,434
Gas Purchases	-	737,986	-	-	737,986	-
Water Purchases	3,555,119	-	-	-	3,555,119	-
Depreciation	1,629,885	328,838	-	76,587	2,035,310	11,955
TOTAL OPERATING EXPENSES	11,533,114	2,448,508	3,354,419	694,606	18,030,647	968,479
OPERATING INCOME (LOSS)	2,468,103	713,863	257,660	(525,919)	2,913,707	(400,412)
NONOPERATING REVENUES (EXPENSES)						
Investment Earnings	254,313	-	-	-	254,313	-
Capital Grants	1,011,131	-	-	-	1,011,131	-
Impact Fees	225,621	-	-	-	225,621	-
Gain on Sale of Assets	-	626,489	-	-	626,489	-
Interest Expense	(340,218)	(214,458)	-	-	(554,676)	-
TOTAL NONOPERATING REVENUES	1,150,847	412,031	-	-	1,562,878	-
INCOME BEFORE TRANSFERS	3,618,950	1,125,894	257,660	(525,919)	4,476,585	(400,412)
TRANSFERS						
Transfers In	1,125,828	-	-	772,015	1,897,843	546,523
Transfers Out	(1,243,518)	(4,429,391)	-	-	(5,672,909)	-
TOTAL TRANSFERS	(117,690)	(4,429,391)	-	772,015	(3,775,066)	546,523
CHANGE IN NET POSITION	3,501,260	(3,303,497)	257,660	246,096	701,519	146,111
NET POSITION AT BEGINNING OF YEAR	34,984,640	3,303,497	1,505,089	28,999	39,822,225	-
NET POSITION AT END OF YEAR	$ 38,485,900	$ -	$ 1,762,749	$ 275,095	$ 40,523,744	$ 146,111

See accompanying notes to basic financial statements.

CITY OF ROCKPORT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities					Governmental
	Major Funds			Nonmajor		Internal
	Water and Wastewater	Natural Gas	Sanitation	Aquatic Center	Total	Fleet Service
Cash Flows From Operating Activities:						
Cash Received From Customers	$ 14,351,819	$ 3,154,061	$ 3,588,599	$ 168,687	$ 21,263,166	$ 568,117
Cash Paid to Supplier for Goods & Services	(7,743,138)	(1,336,328)	(3,340,022)	(223,244)	(12,642,732)	(562,010)
Cash Paid for Employee Salaries and Benefits	(1,448,735)	(1,470,713)	-	(407,995)	(3,327,443)	(340,985)
Net Cash Provided (Used) by Operating Activities	5,159,946	347,020	248,577	(462,552)	5,292,991	(334,878)
Cash Flows From Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	(5,157,259)	-	-	(300,268)	(5,457,527)	(48,550)
Proceeds from Sale of Assets	-	5,500,000	-	-	5,500,000	-
Capital Grants	1,011,131	-	-	-	1,011,131	-
Principal Paid on Long-term Debt	(2,886,693)	(3,066,001)	-	-	(5,952,694)	-
Interest and Fiscal Charges on Long-term Debt	(399,546)	(245,660)	-	-	(645,206)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(7,432,367)	2,188,339	-	(300,268)	(5,544,296)	(48,550)
Cash Flows From Noncapital Financing Activities:						
Transfers from (to) Other Funds	(117,690)	(4,429,391)	-	772,015	(3,775,066)	546,523
Net Cash Provided (Used) by Noncapital Financing Activities	(117,690)	(4,429,391)	-	772,015	(3,775,066)	546,523
Cash Flows From Investing Activities:						
Interest and Investment Earnings	254,313	-	-	-	254,313	-
Net Cash Provided (Used) by Investing Activities	254,313	-	-	-	254,313	-
Net Increase (Decrease) in Cash and Cash Equivalents	(2,135,798)	(1,894,032)	248,577	9,195	(3,772,058)	163,095
Cash and Cash Equivalents at Beginning of Year:	15,803,607	1,894,032	1,471,282	-	19,168,921	323,377
Cash and Cash Equivalents at End of Year:	$ 13,667,809	$ -	$ 1,719,859	$ 9,195	$ 15,396,863	$ 486,472

See accompanying notes to basic financial statements.

CITY OF ROCKPORT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities					Governmental
	Major Funds			Nonmajor		Internal
	Water and Wastewater	Natural Gas	Sanitation	Aquatic Center	Total	Fleet Service
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:						
Operating Income	$ 2,468,103	$ 713,863	$ 257,660	$ (525,919)	$ 2,913,707	$ (400,412)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	1,629,885	328,838	-	76,587	2,035,310	11,955
Decrease (Increase) in Assets:						
Accounts Receivable (net)	213,093	(8,318)	(23,480)	-	181,295	-
Other Receivables	166	28	-	-	194	50
Inventory	(147,124)	57,199	-	-	(89,925)	6,057
Prepaid Expenses	(113,530)	-	-	-	(113,530)	-
Pension and OPEB Deferred Outflows	182,338	193,421	-	695	376,454	43,794
Increase (Decrease) in Liabilities:						
Accounts Payable	(276,560)	55,148	14,397	(248)	(207,263)	26,631
Accrued Wages	(15,941)	(4,699)	-	(13,272)	(33,912)	698
Compensated Absences	331,021	(22,884)	-	-	308,137	1,337
Customer Deposits	137,343	(20)	-	-	137,323	-
Net Pension Liability	170,045	(387,651)	-	(124)	(217,730)	(26,503)
Total OPEB Liability	487,897	(484,310)	-	20	3,607	364
Pension and OPEB Deferred Inflows	93,210	(93,595)	-	(291)	(676)	1,151
Net Cash Provided (Used) by Operating Activities	$ 5,159,946	$ 347,020	$ 248,577	$ (462,552)	$ 5,292,991	$ (334,878)

See accompanying notes to basic financial statements.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rockport, Texas (the City) was incorporated in 1871 under the provisions of the laws for the State of Texas. The City operates under a Home-Rule Charter, which was adopted on April 12, 1983, and provides the following services, as authorized, by its charter: public safety (police and fire), streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administration services. Other services include utilities. The City operates with a Council- Manager type of government, where the City Council consists of the mayor and four council members. The mayor is elected at large, and one council member is elected from each of four wards.

The financial statements of the City of Rockport, Texas, are presented in accordance with generally accepted accounting principles (GAAP) applicable to state and local governmental units as set forth by the Government Accounting Standards Board (GASB). A summary of the City's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

A. Reporting Entity

The City, for financial purposes, includes all the activities and funds relevant to the operations of the City of Rockport. These operations include general government, public safety, public works, culture/recreation and tourism development.

The governmental reporting entity consists of the City. There are currently no legally separate entities that are, in substance, part of the government's operations.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and statement of activities. Government-wide statements report information on all of the activities of the City. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. The values of interfund services provided and used are not eliminated in the government-wide financial statements, as elimination of those charges would distort the direct costs reported for the various functions. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. The City has no fiduciary funds.

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses of a given function or segment 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 and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate fund 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.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash revenue types, which have been accrued, revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as program revenues and general revenues. Program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs and investment earnings.

Governmental fund level financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 30 (thirty) days of the end of the current fiscal period. Receivables which are measurable but not collectible are reported as deferred inflows of resources. Property taxes become due on October 1 of each year to fund the ensuing fiscal year. However, delinquent property taxes that are not available at year end are reported as deferred inflows of resources and taxes receivable in the fund balance sheets.

Sales taxes, franchise taxes, hotel/motel taxes, interest and fees associated with the current fiscal year are considered susceptible to accrual and so have been recognized as revenue in the current fiscal period. All other revenue items received by the government are considered to be measurable and available only when the cash is received by the City.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured, and payment is due.

The proprietary funds are accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when liabilities are incurred.
- Current-year contributions, administrative expenses, and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government reports the following major governmental funds:

General Fund is the general operating fund of the City and is always classified as a major fund. The general fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, sales taxes and franchise fees. Primary expenditures are for general government, public safety, public works and recreation.

Debt Service Fund accounts for financial resources to be used for the payment of long term debt.

Capital Projects Fund holds funds for capital projects authorized by City Council from grants, debt proceeds or transfers from other funds.

CDBG Capital Grant Fund holds the capital project expenditures and related grant reimbursements.

The government reports the following major proprietary funds:

Water and Sewer Utility Fund accounts for water and sewage treatment services provided to citizens and businesses.

Natural Gas Fund accounts for fees charged to citizens and businesses for natural gas distribution and consumption.

Sanitation Fund accounts for fees charged to citizens and businesses for solid waste collection.

D. Cash and Cash Equivalents

The City considers all highly liquid investments including cash in banks, cash on hand, and local government investment pools to be cash equivalents.

E. Investments

State statutes authorize the City to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d). Statutes allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Investments (Continued)

Investments are stated at fair value except for certificates of deposit and local government investment pools. Certificates of deposit are stated at amortized cost and local government investment pools are stated at net asset value. The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

F. Receivables

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2024 and past due after January 31, 2025. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Receivables (Continued)

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred inflows of resources in the fund statements. Receivables are shown net of an allowance for uncollectible accounts.

G. Short-Term Inter-fund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds" or “due to other funds” on fund statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

H. Inventory

Inventories of supplies are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Governmental fund inventories at year end are offset by a nonspendable portion of fund balance.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid Items of governmental funds are recorded as expenditures when consumed rather than when purchased.

J. Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of $5,000 or more. Infrastructure assets include city-owned streets, sidewalks, curbs, and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets, donated works of art and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest has not been capitalized during the construction period on property plant and equipment.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset	Useful Lives (Years)
Buildings and Improvements	10-40
Streets and Infrastructure	5-50
Machinery and Equipment	3-10
Utility Systems	5-50

K. Compensated Absences

The City's employees earn vacation and sick leave which may either be taken or accumulated, up to certain amounts. Unused vacation and a portion of sick leave based on longevity will be paid upon resignation or retirement. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. Vested or accumulated compensatory time that is expected to be liquidated with expendable available resources is reported as an expenditure and fund liability of the governmental fund that will pay for it. Amounts of vested or accumulated vacation leave and compensatory time that are not expected to be liquidated with expendable available financial resources are reported in the government wide statements. Vested or accumulated vacation leave and compensatory time of the proprietary funds is recorded as an expense and liability of that fund as the benefits accrue to employees. Compensated absences are accrued in the government-wide and business-type activity statements for those balances more likely than not to be paid out upon termination or used as time off. The City uses the first-in-first-out method in calculating the liability.

L. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position 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 future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has deferred outflows related to a pension, other postemployment benefits and differences resulting from debt refundings.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet under a modified basis of accounting. Unavailable revenues from property tax are deferred and recognized as an inflow of resources in the period the amounts become available. The City also has pension and OPEB related deferred inflows.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deduction from TMRS'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. The general fund has typically been used in prior years to liquidate pension liabilities.

N. OPEB Liabilities

The City offers other post-employment benefits (OPEBs) related to a supplemental death benefit and retiree health insurance. 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. For the government-wide statements, the OPEB is recorded based on the actuary's valuation of the future liability.

O. Long-Term Obligations

Debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For this purpose, debt does not include leases, except for contracts reported as a financed purchase of the underlying asset, or accounts payable.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premium and discounts are deferred and amortized over the life of the term of the related debt. Loss on refunding and bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not they are withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Fund Balance

Five categories of fund balances were created and defined by GASB 54. These five categories are as follows:

- **Restricted** – These funds are governed by externally enforceable restrictions.
- **Non-spendable** – These funds are not available for expenditures based on legal or contractual requirements. An example might by inventories and prepaid expenditures.
- **Committed** - Fund balances in this category are limited by the government's highest level of decision making (in this case the City Council). Any changes of this designation must be done in the same manner that it was implemented. For example, if funds are committed by resolution, the commitment could only be released with another resolution.
- **Assigned** – For funds to be assigned, there must be an intended use which can be established by the City Council or an official delegated by the Council, such as a City Manager or Finance Director. Assigned fund balance is delegated by the City Council to the Director of Finance.
- **Unassigned** - This classification is the default for all funds that do not fit into the other categories. The general fund is the only fund that reports a positive fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for a specific purposes, it may be necessary to report a negative unassigned fund balance in that particular fund.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City's Council or its designated official has provided otherwise in its commitments or assignment actions.

R. Inter-fund Transactions

Legally authorized transfers are treated as inter-fund transfers and are included in the results of operations of both governmental and proprietary funds.

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the City, those revenues are charges for services. Operating expenses are necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as non-operating.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

The City Council has adopted a written investment policy regarding the investments of its funds as defined by the Public Funds Act of 1995 (Chapter 2256, Texas Government Code). The City's investment policy requires all deposits to be fully collateralized. Investments held in pools shall be continuously rated no lower than AAA or AAAm or at an equivalent rating by at least one nationally recognized rating service. The investments of the City are in compliance with the Council's investment policies. All significant legal and contractual provisions for investments were complied with during the year. Investments at year end are representative of the types of investments maintained by the City during the year.

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the Act), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAAm (or equivalent) rating by at least one nationally recognized rating service; and (3) maintain the fair value of its underlying investment portfolio within one-half of one percent of the value of its shares. External investment pools tailored to meet the investment needs of Texas local governments and are valued at net asset value. They do not have any minimum or maximum transaction or balance amounts and the investment balances are accessible on the same day as the request pending end of business time constraints.

Investment Type	Reported Value	Weighted Average Maturity in Days	Rating	Agency
Primary Government:				
Reported in Cash Equivalents				
Local Government Investment Pools:				
Texpool	$ 8,922	52	AAAm	Standard & Poor's
Texas Fixed Income Trust	9,426,528	63	AAAmmf	Fitch
Texas Range	9,848,470	46	AAAmmf	Fitch
Reported as Investments				
Certificates of Deposit	245,000	160		
Total Primary Government	$ 19,528,920	56		

NOTE 2 – CASH AND INVESTMENTS (Continued)

The following is an analysis of the investment risks of the City.

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its operating investment portfolio to less than one year. The City's investment policy limits the final stated maturity of any security to no more than three years. As a matter of policy, the City holds all investments to maturity.

Credit Risk. The City's investment policy states that municipal obligations and other debt investments will be rated not less than A and pools will be no lower than AAA rated. The state comptroller of public accounts exercises oversight responsibility over local government investment pools. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters.

Custodial Credit Risk. The City's deposits are collateralized by a combination of FDIC coverage and pledged collateral from the City's depository. Funds were fully covered, including certificates of deposit. For local government investment pools, the AAAm and better ratings demonstrate a strong capacity to maintain principal stability and to safeguard client assets.

Concentration of Credit Risk. The City has either FDIC insured certificates of deposit or investments in local government investment pools that are highly rated. While the investments in the pools are concentrated, they are considered lower risk investments.

NOTE 3 -- RECEIVABLES

Receivables consist of the following as of September 30, 2025:

	Governmental Funds				
	General Fund	Capital Projects	CDBG Capital Grant	Debt Service	Other Nonmajor Funds
Receivables:					
Property Taxes	$ 191,912	$ -	$ -	$ 134,806	$ -
Sales Tax	655,752	-	-	-	-
Franchise Taxes	101,432	-	-	-	6,061
Occupancy Taxes	-	-	-	-	82,759
Grants	808,146	1,863,246	62,240	-	42,552
Customers	76	-	-	-	-
Other	172,261	-	-	-	33,754
Gross Receivables	1,929,579	1,863,246	62,240	134,806	165,126
Less: Allowance for Uncollectibles	(81,340)	-	-	(59,327)	-
Net Total Receivables	$ 1,848,239	$ 1,863,246	$ 62,240	$ 75,479	$ 165,126

NOTE 3 – RECEIVABLES (Continued)

	Business-Type Activities	
	Water/ Wastewater	Sanitation
Receivables:		
Customers	$1,990,413	$ 342,072
Gross Receivables	1,990,413	342,072
Less: Allowance for Uncollectibles	(162,081)	-
Net Total Receivables	$1,828,332	$ 342,072

NOTE 4 -- PROPERTY TAX

Taxes are levied on and payable as of October 1. The City has contracted with the Aransas County Tax Assessor/Collector to collect taxes on its behalf. Current year taxes become delinquent February 1. Current year delinquent taxes not paid by July 1 are turned over to attorneys for collection action. For fiscal year 2025, the assessed tax rate for the City was $0.405294 per $100 on an assessed valuation of $2.99 billion (before taking into account exemptions and frozen properties). This is broken out as $0.235544 per $100 for maintenance and operations and $0.169750 per $100 for debt retirement. Total tax levy for fiscal year 2025 (tax year 2024) is $10.9 million. The City is generally limited to annual increases of 3.5% in maintenance and operations tax levies without voter approval.

NOTE 5 -- INTERFUND TRANSACTIONS

Balances between funds as of September 30, 2025, consisted of the following:

Due From	Due to	Amount	Purpose
Aquatic Center	General Fund	$ 468,685	Pooled Cash Loan
Nonmajor Governmental	General Fund	67,507	Pooled Cash Loan
General Fund	Nonmajor Governmental	8,594	Pooled Cash Loan
		$ 544,786	

Transfers between funds consisted of the following:

Transfer From	Transfer To	Amount	Purpose
Natural Gas	General Fund	$ 4,429,391	Sale and Closure of Gas Utility
Water & Sewer	General Fund	1,243,518	Payment in Lieu of Taxes
Capital Projects	Water & Sewer	1,125,828	Capital Project Contribution
General Fund	CDBG Capital Grants	100,590	Supplement Other Sources
General Fund	Internal Service Fleet	546,523	Supplement Other Sources
General Fund	Nonmajor Governmental	623,501	Supplement Other Sources
General Fund	Aquatic Center	772,015	Supplement Other Sources
		$ 8,841,366	

NOTE 6 -- CAPITAL ASSETS

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

	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 10,456,139	$ -	$ -	$ 10,456,139
Construction in Progress	27,233,463	3,329,453	(195,821)	30,367,095
Total Capital Assets Not Being Depreciated	37,689,602	3,329,453	(195,821)	40,823,234
Capital Assets, Being Depreciated:				
Buildings and Improvements	3,203,022	-	-	3,203,022
Streets and Infrastructure	22,883,322	840,035	195,821	23,919,178
Machinery and Equipment	6,202,584	236,021	(103,019)	6,335,586
Total Capital Assets Being Depreciated	32,288,928	1,076,056	92,802	33,457,786
Accumulated Depreciation:				
Buildings and Improvements	(1,575,381)	(92,961)	-	(1,668,342)
Streets and Infrastructure	(6,747,449)	(648,336)	-	(7,395,785)
Machinery and Equipment	(4,014,768)	(584,804)	103,019	(4,496,553)
Total Accumulated Depreciation	(12,337,598)	(1,326,101)	103,019	(13,560,680)
Total Capital Assets Being Depreciated, Net	19,951,330	(250,045)	195,821	19,897,106
Governmental Activities Capital Assets, Net	$ 57,640,932	$ 3,079,408	$ -	$ 60,720,340

Depreciation expense was charged to the governmental functions as follows:

Governmental Activities:	
General Government	$ 151,024
Public Safety	447,791
Public Works	529,265
Culture and Recreation	198,021
Total Depreciation Expense - Governmental Activities	$ 1,326,101

NOTE 6 -- CAPITAL ASSETS (Continued)

	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 214,953	$ -	$ -	$ 214,953
Construction in Progress	2,458,230	3,047,354	(408,585)	5,096,999
Total Assets Not Being Depreciated	2,673,183	3,047,354	(408,585)	5,311,952
Capital Assets, Being Depreciated:				
Buildings and Improvements	6,267,663	300,268	-	6,567,931
Utility Systems	51,735,159	546,040	(6,982,264)	45,298,935
Machinery and Equipment	1,644,764	1,563,865	(2,746)	3,205,883
Total Capital Assets Being Depreciated	59,647,586	2,410,173	(6,985,010)	55,072,749
Accumulated Depreciation:				
Buildings and Improvements	(2,997,834)	(175,408)	-	(3,173,242)
Utility Systems	(19,262,022)	(1,480,114)	2,801,505	(17,940,631)
Machinery and Equipment	(829,578)	(379,788)	1,556	(1,207,810)
Total Accumulated Depreciation	(23,089,434)	(2,035,310)	2,803,061	(22,321,683)
Total Capital Assets Being Depreciated, Net	36,558,152	374,863	(4,181,949)	32,751,066
Business-Type Activities Capital Assets, Net	$ 39,231,335	$ 3,422,217	$ (4,590,534)	$ 38,063,018

Depreciation expense was charged to the business-type activities as follows:

Business-Type Activities:	
Water and Sewer System	$ 1,629,885
Aquatic Center	76,587
Natural Gas	328,838
Total Depreciation Expense - Business Type Activities	$ 2,035,310

NOTE 7 -- LONG-TERM LIABILITIES

Long-term liabilities at September 30, 2025 were comprised of the following items:

	Balance 10/1/2024	Additions	Reductions	Balance 9/30/2025	Due Within One Year
Governmental Activities:					
Bonds, Notes and Related Premiums	$ 29,322,692	$ 3,075,000	$ (3,453,834)	$ 28,943,858	$ 3,381,373
Compensated Absences	618,404	-	(696)	617,708	268,129
Net Pension Liability	5,525,149	3,263,505	(3,941,633)	4,847,021	-
OPEB Liability - Death Benefit	277,634	-	(80)	277,554	7,813
OPEB Liability - Retiree Insurance	3,307,065	7,736	-	3,314,801	173,998
Total Governmental Activities	39,050,944	6,346,241	(7,396,243)	38,000,942	3,831,313
Business-Type Activities					
Bonds, Notes and Related Premiums	12,988,389	-	(5,952,694)	7,035,695	1,453,022
Compensated Absences	242,256	308,137	-	550,393	137,598
Net Pension Liability	1,854,715	1,096,148	(1,313,878)	1,636,985	-
OPEB Liability - Death Benefit	164,039	-	-	164,039	4,626
OPEB Liability - Retiree Insurance	2,526,028	3,607	-	2,529,635	132,834
Total Business-Type Activities	17,775,427	1,407,892	(7,266,572)	11,916,747	1,728,080
Total Primary Government	$ 56,826,371	$ 7,754,133	$ (14,662,815)	$ 49,917,689	$ 5,559,393

The change in compensated absences is a net figure.

NOTE 7 -- BONDS PAYABLE

These bonds are primarily secured by future property tax levies, however certificates of obligation may also have a limited pledge of utility revenues to support the debt service. All of the City's debts were sold to the public except for the note payable. The note payable was privately placed but contain no subjective acceleration clauses, events of default with finance-related consequences or termination events with finance-related consequences. The note payable qualifies as an energy conservation bond and the City may receive an interest rate subsidy annually.

Type of Debt	Interest Rate
General Obligation Bonds	2-5%
Certificates of Obligation	2-4.25%
Tax Notes	3.74-4%
Note Payable	4.24%

NOTE 8 -- BONDS PAYABLE (Continued)

Changes in the bonds for the year ending September 30, 2025 were as follows:

	Balance 9/30/2024	Additions	Reductions	Balance 9/30/2025	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 15,688,858	$ -	$ (1,873,738)	$ 13,815,120	$ 1,982,948
Certificates of Obligation	3,560,000	-	(255,000)	3,305,000	265,000
Tax Notes	7,130,000	3,075,000	(975,000)	9,230,000	1,060,000
Note Payable	1,068,742	-	(69,943)	998,799	73,425
Unamortized Premiums	1,875,092	-	(280,153)	1,594,939	-
Total Governmental Activities	$ 29,322,692	$ 3,075,000	$ (3,453,834)	$ 28,943,858	$ 3,381,373
Business-Type Activities					
General Obligation Bonds	$ 4,701,141	$ -	$ (1,141,261)	$ 3,559,880	$ 1,187,053
Certificates of Obligation	2,140,000	-	(2,140,000)	-	-
Note Payable	5,990,316	-	(2,608,641)	3,381,675	265,969
Unamortized Premiums	156,932	-	(62,792)	94,140	-
Total Business-Type Activities	$ 12,988,389	$ -	$ (5,952,694)	$ 7,035,695	$ 1,453,022

The annual debt service requirements on these governmental debts as of September 30, 2025 are as follows:

	Governmental Activities				
	Public Offering Bonds		Private Placement Notes		
Year Ending September 30,	Principal	Interest	Principal	Interest	Total
2026	$ 3,307,948	$ 978,731	$ 73,425	$ 41,572	$ 4,401,676
2027	3,422,173	848,014	77,028	38,427	4,385,642
2028	3,500,000	713,075	54,538	35,390	4,303,003
2029	3,635,000	573,882	84,269	32,767	4,325,918
2030	1,450,000	1,809,228	483,968	106,107	8,689,303
2031-2035	6,040,000	695,125	225,571	12,067	6,102,761
2036-2040	4,994,999	20,500	-	-	1,045,500
Total	$ 26,350,120	$ 5,638,555	$ 998,799	$ 266,330	$ 33,253,803

NOTE 8 -- BONDS PAYABLE (Continued)

The annual debt service requirements on these business-type debts as of September 30, 2025 are as follows:

	Business-Type Activities				
	Public Offering Bonds		Private Placement Notes		
Year Ending September 30,	Principal	Interest	Principal	Interest	Total
2026	$ 1,187,053	$ 117,398	$ 265,969	$ 79,496	$ 1,649,916
2027	942,827	76,020	259,355	129,361	1,407,563
2028	700,000	147,633	183,612	119,173	1,150,418
2029	730,000	106,525	283,734	110,327	1,230,586
2030	-	69,513	297,159	98,156	464,828
2031-2035	-	129,201	1,703,884	287,390	2,120,475
2036	-	-	387,962	12,351	400,313
Total	$ 3,559,880	$ 646,290	$ 3,381,675	$ 836,254	$ 8,424,099

NOTE 9 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM

A. Plan Description

The City participates as one of 938 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (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 (Annual Report) that can be obtained at www.tmrs.com.

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

B. 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 their retirement benefit in one of seven payments 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's contributions and interest.

NOTE 9 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM (Continued)

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	110
Inactive Employees Entitled to but Not Yet Receiving Benefits	95
Active Employees	125
	330

C. Contributions

The contribution rates for employees in TMRS are either 7% or 8% of 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 (EAN) 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 annual compensation during the fiscal year. The City matches employee contributions 2 to 1. The contribution rates for the City were 18.89% and 19.37% for calendar years 2024 and 2025 respectively. The City's contributions to TMRS for the year ended September 30, 2025 were $1,578,384, and were equal to the required contributions.

D. 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 Net Pension Liability was determined by an actuarial valuation as of that date.

E. Actuarial Assumptions

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall Payroll Growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

NOTE 9 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM (Continued)

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 MP2021 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 (APRs) 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 using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

NOTE 9 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM (Continued)

E. Actuarial Assumptions (Continued)

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35%	7.10%
Core Fixed Income	6%	5.00%
Non-Core Fixed Income	6%	6.80%
Other Public and Private Markets	4%	7.30%
Real Estate	12%	6.70%
Hedge Funds	5%	6.40%
Private Equity	13%	8.50%
Infrastructure	6%	6.00%
Private Debt	13%	8.20%
	100%	

F. Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee 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 employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

NOTE 9 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM (Continued)

G. Changes in Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2023	$ 43,861,646	$ 36,481,782	$ 7,379,864
Changes for the year:			
Service Cost	1,623,616	-	1,623,616
Interest	2,922,764	-	2,922,764
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	467,247	-	467,247
Contributions - Employer	-	1,566,400	(1,566,400)
Contributions - Employee	-	580,455	(580,455)
Net Investment Income	-	3,787,509	(3,787,509)
Benefit Payments, Including Refunds of Employee Contributions	(2,746,492)	(2,746,492)	-
Administrative Expense	-	(24,311)	24,311
Other Changes	-	(568)	568
Net Changes	2,267,135	3,162,993	(895,858)
Balance at December 31, 2024	$ 46,128,781	$ 39,644,775	$ 6,484,006

H. Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability 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:

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability	$ 12,706,204	$ 6,484,006	$ 1,393,030

I. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at *www.tmrs.com.*

J. Pension Expense

For the year ended September 30, 2025, the City recognized pension expense of $2,074,689.

NOTE 9 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM (Continued)

K. Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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	$ 595,778	$ -
Changes in Actuarial Assumptions	-	153,454
Differences Between Projected and Actual Investment Earnings	-	367,556
Contributions Subsequent to the Measurement Date	1,153,727	-
	$ 1,749,505	$ 521,010

The City reported $1,153,727 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (December 31, 2024) will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Fiscal Year Ended September 30,	
2026	$ 311,453
2027	580,215
2028	(551,902)
2029	(264,998)
2030	-
Thereafter	-
	$ 74,768

NOTE 10 -- OTHER POST EMPLOYMENT BENEFITS (OPEB) – SUPPLEMENTAL DEATH BENEFIT

The City also participates in the cost sharing multiple-employer defined benefit group- term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage 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.

NOTE 10 -- OTHER POST EMPLOYMENT BENEFITS (OPEB) – SUPPLEMENTAL DEATH BENEFIT (Continued)

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. Membership in the plan at December 31, 2024, the valuation and measurement date, consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefits	89
Inactive Employees Entitled to but Not Yet Receiving Benefits	15
Active Employees	125
	229

The City contributes to the 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. 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 following key assumptions were used in developing the actuarial valuation:

Inflation	2.50%
Salary Increases	3.60% to 11.85% Including Inflation
Discount Rate	4.08% (Bond Buyer's 20-Year GO Index)
Administrative Expenses	All administrative expenses are paid throe the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	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).
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 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.

The City's contributions to TMRS for retirees were $12,306 for the fiscal year ended September 30, 2025 and were equal to the required contributions. The SDBF required contribution rates were as follows:

Calendar Year	Total SDBF Contribution Rate	Retiree Portion of SDBF Contribution Rate
2025	0.34%	0.19%
2024	0.37%	0.15%

NOTE 10 -- OTHER POST EMPLOYMENT BENEFITS (OPEB) – SUPPLEMENTAL DEATH BENEFIT (Continued)

The City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2024 was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2023	$ 441,673
Changes for the year:	
Service Cost	18,243
Interest	16,760
Difference Between Expected and Actual Experience	(1,213)
Changes of Assumptions	(21,431)
Benefit Payments	(12,439)
Net Changes	(80)
Balance at December 31, 2024	$ 441,593

There is no separate trust maintained to fund this Total OPEB Liability. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

The following presents the TOL of the City, calculated using the discount rate of 4.08% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower and 1 percentage point higher than the current rate:

	Discount Rate 3.08%	Discount Rate 4.08%	Discount Rate 5.08%
Total OPEB Liability	$ 516,599	$ 441,593	$ 381,947

For the year ended September 30, 2025, the City recognized OPEB expense of $7,859. Also as of 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
Difference Between Expected and Actual Experience	$ 3,177	$ 6,427
Changes in Actuarial Assumptions	15,665	85,033
Contributions Subsequent to the Measurement Date	8,935	-
	$ 27,777	$ 91,460

NOTE 10 -- OTHER POST EMPLOYMENT BENEFITS (OPEB) – SUPPLEMENTAL DEATH BENEFIT (Continued)

Deferred outflows of resources in the amount of $8,935 is related to OPEB benefits resulting from contributions subsequent to the measurement date (December 31, 2024) and will be recognized as a reduction of the total OPEB liability for the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Fiscal Year Ended September 30,		
2026	$	(38,877)
2027		(30,911)
2028		122
2029		(2,952)
2030		-
Thereafter		-
	$	(72,618)

NOTE 11 -- OTHER POST EMPLOYMENT BENEFITS (OPEB) – RETIREE MEDICAL INSURANCE

Eligible retirees of the City may participate in the health insurance plan of the City. Non-Medicare participants with over ten years of service with the City at retirement are eligible for a subsidy equal to 50% of the current premium amount. The percentage of premium paid by the City increases by 5% per year of service. At twenty years of service, retirees are eligible for a 100% subsidy. Enrollment is required within thirty days of retirement. At age 65, retirees must apply for Medicare and the City furnishes a Medicare Supplemental Policy. The City provides the same Medicare subsidy to all eligible retirees regardless of service. The amount of the Medicare subsidy is capped at $268.08 per month.

Membership in the plan at December 31, 2023, the valuation date, consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefits	70
Inactive Employees Entitled to but Not Yet Receiving Benefits	0
Active Employees	117
	187

This County does not maintain a separate trust for this plan and is not accumulating assets to service the other post-employment benefit. Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of employees attaining eligibility. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

NOTE 11 -- OTHER POST EMPLOYMENT BENEFITS (OPEB) – RETIREE MEDICAL INSURANCE (Continued)

The following key assumptions were used in developing the actuarial valuation:

Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.50%
Salary Increases	3.60% to 11.85% Including Inflation
Discount Rate	4.08% (Bond Buyer 20-Bond GO Index)
Demographic Assumptions	Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS).
Health Care Trend Rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Participation Rates	For employees who retire prior to age 65, the participation rate was assumed to equal the half the percentage of the subsidy paid by the City, plus 50%. 70% of eligible employees who are at least 65 years old at retirement were assumed to participate. 30% of retirees who are less than 65 years old at retirement were assumed to discontinue coverage upon reaching 65 years old.

The City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2024 was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2023	$ 5,833,093
Changes for the year:	
Service Cost	331,053
Interest	220,364
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(40,275)
Changes of Assumptions	(192,967)
Benefit Payments	(306,832)
Net Changes	11,343
Balance at December 31, 2024	$ 5,844,436

There is no separate trust maintained to fund this Total OPEB Liability. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

NOTE 11 -- OTHER POST EMPLOYMENT BENEFITS (OPEB) – RETIREE MEDICAL INSURANCE (Continued)

The following tables present the sensitivity of the TOL to a 1% swing in the discount rate and health care cost trend rate:

	Discount Rate 3.08%	Discount Rate 4.08%	Discount Rate 5.08%
Total OPEB Liability	$ 6,498,691	$ 5,844,436	$ 5,277,194
	1% Decrease	Healthcare Trend Rate	1% Increase
Total OPEB Liability	$ 5,347,309	$ 5,844,436	$ 6,443,022

For the year ended September 30, 2025, the City recognized OPEB expense of $438,558. Also as of 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
Difference Between Expected and Actual Experience	$ 352,755	$ 100,048
Changes in Actuarial Assumptions	358,665	781,822
	$ 711,420	$ 881,870

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Fiscal Year Ended September 30,	
2026	$ (77,742)
2027	(112,950)
2028	(1,549)
2029	38,333
2030	(16,542)
Thereafter	-
	$ (170,450)

NOTE 12 -- CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is currently working on several capital projects that are expected to be reimbursed by the Texas Department of Emergency Management and are recorded as other receivables on the balance sheet of the General and Capital Projects fund of $808,146 and $1,863,246, respectively.

NOTE 13 -- RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Liability by the City is generally limited to the contributed amounts. There were no significant changes in coverage during fiscal year 2025.

NOTE 14 -- COMMITMENTS

Purchase Commitments

	Estimated Project Cost to City	Expended to Date	Estimated Future Commitment
Governmental Activities:			
City Hall Construction	$ 16,380,000	$ 15,074,526	$ 1,305,474
Drainage Improvements	6,322,339	3,496,674	2,825,665
Business-type Activities:			
Wastewater Treatment Plant Improvements	4,611,080	4,191,763	419,317
Total Estimated Future Commitments	$ 27,313,419	$ 22,762,963	$ 4,550,456

NOTE 15 -- TAX ABATEMENTS

The City has entered into two agreements with businesses in the community in accordance with Chapter 380 of the Texas Local Government Code to promote economic development and to stimulate business and commercial activity in the City. The agreements provide for grants to the businesses of incremental property taxes paid for personal and real property in excess of a base value prior to the improvements or incremental sales tax generated. The payments are conditional on employment growth and staff wage requirements being maintained. The property tax agreement ends in 2029 and the sales tax agreement will end in 2025. During the year ended September 30, 2025, the City reimbursed the businesses $10,082 in sales tax and $58,362 in property taxes.

NOTE 16 -- LITIGATION

The City is the subject of various claims and litigation that have arisen in the course of its operations. Management is of the opinion that the City's liability in these cases, if decided adversely to the City, will not have a material effect on the City's financial position.

NOTE 17 -- CHANGE IN ACCOUNTING PRINCIPLE

As of October 1, 2024, the City implemented GASB Statement 101 related to compensated absences. Previously, only compensated absences that were expected to be paid on termination were recognized as a liability on the statement of net position. Now, compensated absences that are more likely than not to be paid or taken as time off are included in the liability. The change resulted in no change to beginning net position.

NOTE 18 --NATURAL GAS UTILITY

The City transferred the natural gas utility to the City of Corpus Christi as of September 29, 2025. The proceeds from the sale of $5.5 million were used to pay the outstanding debts of the utility. The remaining funds in the utility were transferred to the general fund.

NOTE 19 -- SUBSEQUENT EVENTS

On December 30, 2025, the City issued $5.1 million in tax notes to finance drainage projects, street improvements, and utility system improvements.

The City passed and approved Ordinance Number 1946 for Rockport Tax Increment Reinvestment Zone (TIRZ) Number 1 on September 10, 2024. An appraisal was performed on January 1, 2025 for the 2025 tax year, which is not due until October 1, 2025. Therefore, the City will pay 60% of the taxes collected in the 2025-2026 fiscal year which is expected to result in a liability for that year.

CITY of ROCKPORT, TEXAS

Est. 1870

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the CASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - General Fund
- Schedule of Changes in Net Pension Liability and Related Ratios - Last 10 Plan Years
- Schedule of Pension Contributions - Last 10 Fiscal Years
- Schedule of Changes in Total Other Post-Employment Benefit Liability and Related Ratios

  Supplemental Death Benefit
  Retiree Medical Insurance

CITY OF ROCKPORT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		2025	Variance With Final Budget -	2024
	Original	Final	Actual Amounts	Positive (Negative)	Actual
REVENUES					
Property Taxes	$ 6,297,610	$ 6,297,610	$ 6,234,069	$ (63,541)	$ 5,473,486
Sales and Mixed Beverage Taxes	3,852,125	3,852,125	3,984,085	131,960	3,797,506
Franchise Taxes	1,914,309	1,914,309	817,773	(1,096,536)	826,528
Licenses and Permits	616,540	616,540	590,764	(25,776)	707,590
Grants and Donations	60,000	60,000	126,267	66,267	75,116
Charges for Services	13,200	13,200	11,000	(2,200)	13,190
Fines and Forfeitures	150,100	150,100	167,407	17,307	186,416
Investment Earnings	105,000	105,000	98,639	(6,361)	158,746
Miscellaneous	91,903	936,550	118,173	(818,377)	359,115
TOTAL REVENUES	13,100,787	13,945,434	12,148,177	(1,797,257)	11,597,693
EXPENDITURES					
General Government					
Mayor & Council	145,223	155,223	90,075	65,148	88,248
Human Resources	157,824	168,307	140,549	27,758	138,648
Municipal Court	257,082	259,202	248,820	10,382	195,259
Finance	504,901	510,171	488,172	21,999	481,485
City Secretary	194,705	189,705	164,291	25,414	151,806
City Manager	564,945	591,560	564,504	27,056	525,991
Information Technology	297,584	313,909	290,280	23,629	299,311
Building Development	422,447	410,584	338,687	71,897	339,132
Building Inspections	307,589	322,723	328,424	(5,701)	312,930
Non-departmental	1,515,278	1,294,272	665,078	629,194	967,153
Total General Government	4,367,578	4,215,656	3,318,880	896,776	3,499,963
Public Safety					
Police	960,179	891,205	855,903	35,302	852,822
Police Patrol	2,464,050	2,344,196	2,191,870	152,326	2,263,043
Police CID	806,976	802,951	685,639	117,312	756,981
Emergency Operations	10,000	11,000	9,153	1,847	8,420
Code Enforcement	432,064	450,393	268,048	182,345	323,794
Total Public Safety	4,673,269	4,499,745	4,010,613	489,132	4,205,060
Public Works					
Street & Drainage	1,172,634	1,187,446	1,208,195	(20,749)	1,084,683
Building Maintenance	561,063	606,111	479,235	126,876	316,711
Total Public Works	1,733,697	1,793,557	1,687,430	106,127	1,401,394
Culture & Recreation	1,339,849	1,328,240	1,299,217	29,023	1,165,474
Capital Outlay	310,592	799,812	64,063	735,749	301,584
TOTAL EXPENDITURES	12,424,985	12,637,010	10,380,203	2,256,807	10,573,475

CITY OF ROCKPORT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		2025	Variance With Final Budget -	2024
	Original	Final	Actual Amounts	Positive (Negative)	Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	675,802	1,308,424	1,767,974	459,550	913,382
OTHER FINANCING SOURCES (USES)					
Sales of Capital Assets	-	-	-	-	1,205
Transfers In	969,151	969,151	5,672,909	4,703,758	1,642,855
Transfers Out	(1,644,953)	(2,277,575)	(2,042,629)	234,946	(1,845,974)
TOTAL OTHER FINANCING SOURCES (USES)	(675,802)	(1,308,424)	3,630,280	4,938,704	(201,914)
Net Change in Fund Balance	-	-	5,398,254	5,398,254	711,468
Fund Balances, Beginning	4,566,596	4,566,596	4,566,596	-	3,855,128
Fund Balances, Ending	$ 4,566,596	$ 4,566,596	$ 9,964,850	$ 5,398,254	$ 4,566,596

CITY OF ROCKPORT
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN PLAN YEARS

	Total Pension Liability			
	2015	2016	2017	2018
Service Cost	$ 876,152	$ 982,451	$ 1,558,081	$ 1,114,592
Interest (on the Total Pension Liability)	1,721,744	1,750,739	1,915,431	2,136,342
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	(291,293)	(14,404)	1,248,532	162,769
Change of Assumptions	126,355	665,897	-	-
Benefit Payments, Including Refunds of Employee Contributions	(930,802)	(1,331,557)	(1,162,491)	(1,292,599)
Net Change in Total Pension Liability	1,502,156	2,053,126	3,559,553	2,121,104
Total Pension Liability - Beginning	24,623,674	26,125,830	28,178,956	31,738,509
Total Pension Liability - Ending	$ 26,125,830	$ 28,178,956	$ 31,738,509	$ 33,859,613

	Plan Fiduciary Net Position			
	2015	2016	2017	2018
Contributions - Employer	$ 830,773	$ 877,449	$ 1,375,596	$ 961,933
Contributions - Employee	365,498	398,907	608,286	413,468
Net Investment Income	31,339	1,453,921	3,172,753	(805,105)
Benefit Payments, Including Refunds of Employee Contributions	(930,802)	(1,331,557)	(1,162,491)	(1,292,599)
Administrative Expense	(19,088)	(16,421)	(16,446)	(15,558)
Other	(943)	(885)	(833)	(812)
Net Change in Plan Fiduciary Net Position	276,777	1,381,414	3,976,865	(738,673)
Plan Fiduciary Net Position - Beginning	21,238,344	21,515,121	22,896,535	26,873,400
Plan Fiduciary Net Position - Ending	$ 21,515,121	$ 22,896,535	$ 26,873,400	$ 26,134,727
Net Pension Liability - Ending	$ 4,610,709	$ 5,282,421	$ 4,865,109	$ 7,724,886
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.35%	81.25%	84.67%	77.19%
Covered Payroll	$ 5,221,406	$ 5,698,673	$ 5,689,797	$ 5,906,687
Net Pension Liability as a Percentage of Covered Payroll	88.30%	92.70%	85.51%	130.78%

Total Pension Liability					
2019	2020	2021	2022	2023	2024
$ 1,164,313	$ 1,200,234	$ 1,307,529	$ 1,476,564	$ 1,544,545	$ 1,623,616
2,271,179	2,375,106	2,463,862	2,617,935	2,802,888	2,922,764
-	-	-	-	-	-
(350,839)	(598,085)	663,561	1,158,043	292,108	467,247
76,395	-	-	-	(348,940)	-
(1,589,356)	(1,689,335)	(1,742,674)	(2,731,114)	(2,361,886)	(2,746,492)
1,571,692	1,287,920	2,692,278	2,521,428	1,928,715	2,267,135
33,859,613	35,431,305	36,719,225	39,411,503	41,932,931	43,861,646
$ 35,431,305	$ 36,719,225	$ 39,411,503	$ 41,932,931	$ 43,861,646	$ 46,128,781

Plan Fiduciary Net Position					
2019	2020	2021	2022	2023	2024
$ 1,108,588	$ 1,198,891	$ 1,251,275	$ 1,326,742	$ 1,409,355	$ 1,566,400
444,879	469,628	504,837	555,995	566,657	580,455
4,041,271	2,286,145	4,220,211	(2,670,833)	3,826,102	3,787,509
(1,589,356)	(1,689,335)	(1,742,674)	(2,731,114)	(2,361,886)	(2,746,492)
(22,830)	(14,792)	(19,523)	(23,107)	(24,347)	(24,311)
(685)	(577)	134	27,573	(169)	(568)
3,981,867	2,249,960	4,214,260	(3,514,744)	3,415,712	3,162,993
26,134,727	30,116,594	32,366,554	36,580,814	33,066,070	36,481,782
$ 30,116,594	$ 32,366,554	$ 36,580,814	$ 33,066,070	$ 36,481,782	$ 39,644,775
$ 5,314,711	$ 4,352,671	$ 2,830,689	$ 8,866,861	$ 7,379,864	$ 6,484,006
85.00%	88.15%	92.82%	78.85%	83.17%	85.94%
$ 6,355,418	$ 6,708,966	$ 7,211,964	$ 7,942,784	$ 8,095,101	$ 8,292,219
83.62%	64.88%	39.25%	111.63%	91.16%	78.19%

CITY OF ROCKPORT
SCHEDULE OF CITY PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ending September 30,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	$ 1,578,384	$ 1,578,384	$ -	$ 8,204,310	19.2%
2024	1,472,710	1,472,710	-	7,945,181	18.5%
2023	1,187,965	1,308,319	(120,354)	6,822,433	19.2%
2022	1,230,488	1,230,488	-	6,708,088	18.3%
2021	1,198,891	1,237,615	(38,724)	6,870,088	18.0%
2020	1,069,089	1,054,491	14,598	6,149,048	17.1%
2019	1,153,763	1,153,763	-	7,163,204	16.1%
2018	917,078	917,078	-	5,793,290	15.8%
2017	877,449	877,449	-	5,698,673	15.4%
2016	831,456	831,456	-	5,136,730	16.2%

CITY of ROCKPORT, TEXAS

Est. 1870

CITY OF ROCKPORT
SCHEDULE OF CHANGES – TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY
AND RELATED RATIOS
SUPPLEMENTAL DEATH BENEFIT
LAST EIGHT PLAN YEARS*

	Total OPEB Liability			
	2017	2018	2019	2020
Service Cost	$ 16,511	$ 12,404	$ 17,160	$ 24,152
Interest on Total OPEB Liability	12,874	13,074	13,574	12,279
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	-	(31,557)	(13,755)	(8,742)
Change of Assumptions or Other Inputs	30,715	(22,651)	63,429	63,296
Benefit Payments	(4,345)	(2,953)	(2,542)	(4,025)
Net Change in Total OPEB Liability	55,755	(31,683)	77,866	86,960
Total OPEB Liability - Beginning	334,507	390,262	358,579	436,445
Total OPEB Liability - Ending	$ 390,262	$ 358,579	$ 436,445	$ 523,405
Covered Payroll	$ 5,689,797	$ 5,906,687	$ 6,355,418	$ 6,708,966
Total OPEB Liability as a Percentage of Covered Payroll	6.86%	6.07%	6.87%	7.80%
Discount Rate	3.31%	3.71%	2.75%	2.00%

*GASB Statement No. 75 requires 10 years of data to be provided in this schedule. The City will develop the schedule prospectively as data becomes available.

No assets are accumulated in a trust that meets the criteria in of GASB Codification P22.101 or P52.101 to pay related benefits.

Total OPEB Liability			
2021	2022	2023	2024
$ 29,569	$ 34,154	$ 17,000	$ 18,243
10,641	10,291	16,046	16,760
-	-	-	-
(18,822)	(5,546)	5,355	(1,213)
15,661	(181,406)	21,642	(21,431)
(12,260)	(11,914)	(12,143)	(12,439)
24,789	(154,421)	47,900	(80)
523,405	548,194	393,773	441,673
$ 548,194	$ 393,773	$ 441,673	$ 441,593
$ 7,211,964	$ 7,942,784	$ 8,095,101	$ 8,292,219
7.60%	4.96%	5.46%	5.33%
1.84%	4.05%	3.77%	4.08%

CITY OF ROCKPORT
SCHEDULE OF CHANGES – TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS
RETIREE MEDICAL INSURANCE
LAST EIGHT PLAN YEARS*

	Total OPEB Liability			
	2017	2018	2019	2020
Service Cost	$ 391,117	$ 447,574	$ 357,387	$ 378,651
Interest on Total OPEB Liability	214,798	212,555	210,376	153,610
Changes of Benefit Terms	-	(868,485)	-	-
Difference between Expected and Actual Experience	-	(72,989)	(700,917)	(15,765)
Change of Assumptions or Other Inputs	324,340	(249,986)	203,490	502,691
Benefit Payments	(176,658)	(172,625)	(176,676)	(154,661)
Net Change in Total OPEB Liability	753,597	(703,956)	(106,340)	864,526
Total OPEB Liability - Beginning	5,530,526	6,284,123	5,580,167	5,473,827
Total OPEB Liability - Ending	$ 6,284,123	$ 5,580,167	$ 5,473,827	$ 6,338,353
Covered Payroll	$ 7,994,196	$ 5,930,211	$ 6,507,443	$ 6,581,617
Total OPEB Liability as a Percentage of Covered Payroll	78.61%	94.10%	84.12%	96.30%
Discount Rate	3.31%	3.71%	2.75%	2.00%

*GASB Statement No. 75 requires 10 years of data to be provided in this schedule. The City will develop the schedule prospectively as data becomes available.

No assets are accumulated in a trust that meets the criteria in of GASB Codification P22.101 or P52.101 to pay related benefits.

Total OPEB Liability			
2021	2022	2023	2024
$ 482,551	$ 405,651	$ 263,403	$ 331,053
129,909	104,841	187,750	220,364
(881,598)	-	-	-
(224,035)	29,269	536,297	(40,275)
(74,229)	(1,284,719)	480,031	(192,967)
(168,398)	(214,983)	(277,000)	(306,832)
(735,800)	(959,941)	1,190,481	11,343
6,338,353	5,602,553	4,642,612	5,833,093
$ 5,602,553	$ 4,642,612	$ 5,833,093	$ 5,844,436
$ 7,077,342	$ 7,942,784	$ 8,181,299	$ 8,390,156
79.16%	58.45%	71.30%	69.66%
1.84%	4.05%	3.77%	4.08%

Budgetary Information

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council and as such is a good management control device. Annual budgets are adopted for all governmental funds with legally adopted budgets except the capital projects funds. Project-length financial plans are adopted for capital projects funds.

The appropriated budget is prepared by fund, function, and department (General Government, Public Safety, Public Works, Culture/Recreation and Tourism Development). The budget comparison schedule for the General Fund is presented in further detail by sub-department for analysis purposes. Following approval of the budget by the Mayor and City Council, the City Manager and budget official may make transfers of appropriations within a department. Transfers of appropriations between departments or an increase in the budget requires the approval of the City Council. For the general fund, the legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is considered to be the department level. For all other funds the legal level of budgetary control is considered to be the fund level.

Encumbrances lapse at year-end and must be reappropriated during the subsequent year.

Pension Plan

Valuation Date:
Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen (13) months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 Years (Longest amortization ladder)
Asset Valuation Method	10 Year Smoothed Fair Value; 12% Soft Corridor
Inflation	2.50%
Salary Increases	3.60% 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 the 110% of the Public Safety table used for males and the 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).

Pension Plan (Continued)

Changes in Benefit Terms:

None

Changes in Actuarial Assumptions:

2023	New mortality assumptions
2019	New retirement and mortality assumptions
2015	Investment rate of return lowered from 7% to 6.75%

Other Postemployment Benefit – Supplemental Death Benefit

Inflation	2.50%
Salary Increases	3.60% to 11.85% Including Inflation
Discount Rate	4.08% (Bond Buyer's 20-Year GO Index)
Administrative Expenses	All administrative expenses are paid throe the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	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).
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 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.

Changes in Benefit Terms:

None

Changes in Actuarial Assumptions:

None other than the discount rate presented on the schedule

Other Postemployment Benefit – Retiree Medical Insurance

Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.50%
Salary Increases	3.60% to 11.85% Including Inflation
Discount Rate	4.08% (Bond Buyer 20-Bond GO Index)
Demographic Assumptions	Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS).
Health Care Trend Rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Participation Rates	For employees who retire prior to age 65, the participation rate was assumed to equal the half the percentage of the subsidy paid by the City, plus 50%. 70% of eligible employees who are at least 65 years old at retirement were assumed to participate. 30% of retirees who are less than 65 years old at retirement were assumed to discontinue coverage upon reaching 65 years old.

Changes in Benefit Terms:

2021	Plan design changes
2018	Benefit clarification for maximum subsidy for non-medicare retirees

Changes in Actuarial Assumptions:

2023	Demographic assumptions updated to reflect 2023 TMRS experience study
	Updated health care cost trend rate
2021	Changes to anticipated participation rates
2019	Demographic assumptions updated to reflect 2019 TMRS experience study
	Updated health care cost trend rate
	Updated anticipated participate rate

SUPPLEMENTARY INFORMATION

Supplementary information includes combining nonmajor individual fund statements which are not required by the GASB, nor a part of the basic financial statements.

Such statements and schedules include:

- Combining Statements – Nonmajor Governmental Funds

- Individual Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Nonmajor Funds with Legally Adopted Budgets

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues and expenditures that are legally restricted for a specific purpose.

- **Child Safety Fund** - Accounts for the drug awareness and prevention program, school crossing guards, and other child safety programs.
- **Court Security and Technology** - Accounts for a portion of municipal fines that are allocated to court technology and security and the allowed expenditures.
- **Utility Surcharge** – Accounts for a fee on utility customer bills each month for the delivery of fire services. Funds are distributed to local firefighting organizations.
- **Criminal Justice Grants** – Accounts for public safety grants and their related expenditures.
- **Juvenile Case Manager** – Accounts municipal court fees dedicated to assisting juveniles through the justice system.
- **Restricted Donations** - Accounts for contributions and donations that are restricted for particular purposes such as parks and public safety.
- **Dispatch** – Accounts the costs of provide emergency response dispatch service for the City and neighboring agencies.
- **Homeland Security Grants** – Accounts for public safety grants and related expenditures.
- **Public Access Television** - Accounts for franchise fees restricted for capital expenditures associated with public, educational and governmental facilities.
- **Tree Mitigation** - Accounts for permit fees restricted for preservation of trees in the community.
- **Hotel Tax** – Accounts for collections of occupancy taxes in the City restricted for tourism development.
- **Opioid** – Accounts for distributions from the State restricted for public safety activities.
- **Forfeiture Fund** - Accounts for revenues from seized assets and the allowed expenditure of that revenue for public safety.

CAPITAL PROJECT FUNDS

- **Vehicle & Equipment Replacement Fund** - Accounts for assignments from other funds (primarily General Fund) to save for future capital replacements.

CITY OF ROCKPORT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue Funds				
	Child Safety	Court Security & Technology	Utility Surcharge	Criminal Justice Grants	Juvenile Case Manager
ASSETS					
Cash and Cash Equivalents	$ 3,176	$ 30,543	$ 511,718	$ 30,650	$ 5,525
Receivables (net of allowances):					
Other	-	-	33,985	-	-
Due From Other Funds	-	-	-	-	-
TOTAL ASSETS	$ 3,176	$ 30,543	$ 545,703	$ 30,650	$ 5,525
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	$ -	$ -	$ 359,480	$ 184	$ 4,834
Accrued Wages	-	-	-	-	-
Due to Other Funds	-	-	-	30,466	-
Total Liabilities	-	-	359,480	30,650	4,834
Fund Balance:					
Restricted For:					
Tree Mitigation	-	-	-	-	-
Tourism Development	-	-	-	-	-
Public Safety	3,176	30,543	186,223	-	691
Public Education	-	-	-	-	-
Other	-	-	-	-	-
Total Fund Balances	3,176	30,543	186,223	-	691
TOTAL LIABILITIES AND FUND BALANCES	$ 3,176	$ 30,543	$ 545,703	$ 30,650	$ 5,525

CITY OF ROCKPORT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2025

	Special Revenue Funds				
	Restricted Donations	Dispatch	Homeland Security Grants	Public Access Television	Tree Mitigation
ASSETS					
Cash and Cash Equivalents	$ 16,505	$ 34,596	$ -	$ 51,882	$ 176,304
Receivables (net of allowances):					
Other	-	-	42,321	6,061	-
Due From Other Funds	-	-	-	-	-
TOTAL ASSETS	$ 16,505	$ 34,596	$ 42,321	$ 57,943	$ 176,304
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	$ 459	$ 17,066	$ 5,280	$ -	$ 1,030
Accrued Wages	-	17,530	-	-	-
Due to Other Funds	-	-	37,041	-	-
Total Liabilities	459	34,596	42,321	-	1,030
Fund Balance:					
Restricted For:					
Tree Mitigation	-	-	-	-	175,274
Tourism Development	-	-	-	-	-
Public Safety	16,046	-	-	-	-
Public Education	-	-	-	57,943	-
Other	-	-	-	-	-
Total Fund Balances	16,046	-	-	57,943	175,274
TOTAL LIABILITIES AND FUND BALANCES	$ 16,505	$ 34,596	$ 42,321	$ 57,943	$ 176,304

CITY OF ROCKPORT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2025

	Special Revenue Funds			Capital	
	Hotel Tax	Opioid	Forfeiture	Vehicle & Equipment Replacement	Total Nonmajor Funds
ASSETS					
Cash and Cash Equivalents	$ 1,817,049	$ 29,940	$ 8,967	$ -	$ 2,716,855
Receivables (net of allowances):					
Other	82,759	-	-	-	165,126
Due From Other Funds	-	-	8,594	-	8,594
TOTAL ASSETS	$ 1,899,808	$ 29,940	$ 17,561	$ -	$ 2,890,575
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	$ 60,881	$ -	$ -	$ -	$ 449,214
Accrued Wages	7,056	-	-	-	24,586
Due to Other Funds	-	-	-	-	67,507
Total Liabilities	67,937	-	-	-	541,307
Fund Balance:					
Restricted For:					
Tree Mitigation	-	-	-	-	175,274
Tourism Development	1,831,871	-	-	-	1,831,871
Public Safety	-	-	17,561	-	254,240
Public Education	-	-	-	-	57,943
Other	-	29,940	-	-	29,940
Total Fund Balances	1,831,871	29,940	17,561	-	2,349,268
TOTAL LIABILITIES AND FUND BALANCES	$ 1,899,808	$ 29,940	$ 17,561	$ -	$ 2,890,575

CITY OF ROCKPORT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds				
	Child Safety	Court Security & Technology	Utility Surcharge	Criminal Justice Grants	Juvenile Case Manager
REVENUES					
Franchise Taxes	$ -	$ -	$ -	$ -	$ -
Occupancy Tax	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Grants and Donations	-	-	-	171,542	-
Charges for Services	-	-	402,369	-	-
Fines and Forfeitures	94	6,508	-	-	7,360
Investment Earnings	-	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL REVENUES	94	6,508	402,369	171,542	7,360
EXPENDITURES					
Current:					
General Government	-	2,383	8,277	-	27,419
Public Safety	-	-	359,480	124,474	-
Culture and Recreation	-	-	-	-	-
Tourism	-	-	-	-	-
Capital Outlay	-	-	-	47,068	-
TOTAL EXPENDITURES	-	2,383	367,757	171,542	27,419
Excess (Deficiency) of Revenues Over (Under) Expenditures	94	4,125	34,612	-	(20,059)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	20,750
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	20,750
Net Change in Fund Balance	94	4,125	34,612	-	691
Fund Balances, Beginning	3,082	26,418	151,611	-	-
Fund Balances, Ending	$ 3,176	$ 30,543	$ 186,223	$ -	$ 691

CITY OF ROCKPORT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds				
	Restricted Donations	Dispatch	Homeland Security Grants	Public Access Television	Tree Mitigation
REVENUES					
Franchise Taxes	$ -	$ -	$ -	$ 25,205	$ -
Occupancy Tax	-	-	-	-	-
Licenses and Permits	-	-	-	-	48,200
Grants and Donations	-	-	58,072	-	-
Charges for Services	-	526,702	-	-	-
Fines and Forfeitures	-	-	-	-	-
Investment Earnings	-	-	-	-	-
Miscellaneous	1,820	-	-	-	-
TOTAL REVENUES	1,820	526,702	58,072	25,205	48,200
EXPENDITURES					
Current:					
General Government	-	32,380	-	-	-
Public Safety	1,359	1,097,073	58,072	-	-
Culture and Recreation	-	-	-	-	21,852
Tourism	-	-	-	-	-
Capital Outlay	-	-	-	342,000	-
TOTAL EXPENDITURES	1,359	1,129,453	58,072	342,000	21,852
Excess (Deficiency) of Revenues Over (Under) Expenditures	461	(602,751)	-	(316,795)	26,348
OTHER FINANCING SOURCES (USES)					
Transfers In	-	602,751	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	602,751	-	-	-
Net Change in Fund Balance	461	-	-	(316,795)	26,348
Fund Balances, Beginning	15,585	-	-	374,738	148,926
Fund Balances, Ending	$ 16,046	$ -	$ -	$ 57,943	$ 175,274

CITY OF ROCKPORT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds			Capital	
	Hotel Tax	Opioid	Forfeiture	Vehicle & Equipment Replacement	Total Nonmajor Funds
REVENUES					
Franchise Taxes	$ -	$ -	$ -	$ -	$ 25,205
Occupancy Tax	1,226,972	-	-	-	1,226,972
Licenses and Permits	-	-	-	-	48,200
Grants and Donations	-	-	-	-	229,614
Charges for Services	-	-	-	-	929,071
Fines and Forfeitures	-	-	23,242	-	37,204
Investment Earnings	-	-	-	30,034	30,034
Miscellaneous	639	16,163	1,215	-	19,837
TOTAL REVENUES	1,227,611	16,163	24,457	30,034	2,546,137
EXPENDITURES					
Current:					
General Government	-	-	-	-	70,459
Public Safety	-	-	18,107	-	1,658,565
Culture and Recreation	-	-	-	-	21,852
Tourism	1,300,843	-	-	-	1,300,843
Capital Outlay	-	-	15,279	547,742	952,089
TOTAL EXPENDITURES	1,300,843	-	33,386	547,742	4,003,808
Excess (Deficiency) of Revenues Over (Under) Expenditures	(73,232)	16,163	(8,929)	(517,708)	(1,457,671)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	623,501
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	623,501
Net Change in Fund Balance	(73,232)	16,163	(8,929)	(517,708)	(834,170)
Fund Balances, Beginning	1,905,103	13,777	26,490	517,708	3,183,438
Fund Balances, Ending	$ 1,831,871	$ 29,940	$ 17,561	$ -	$ 2,349,268

CITY OF ROCKPORT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DISPATCH FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual	Variance with Final Budget- Positive	2024 Actual
	Original	Final	Amounts	(Negative)	Amounts
REVENUES					
Charges for Services	$ 556,931	$ 661,932	$ 526,702	$ (135,230)	$ 573,150
TOTAL REVENUES	556,931	661,932	526,702	(135,230)	573,150
EXPENDITURES					
Current:					
General Government	32,380	32,380	32,380	-	32,380
Public Safety	1,028,441	1,228,442	1,097,073	131,369	1,097,925
TOTAL EXPENDITURES	1,060,821	1,260,822	1,129,453	131,369	1,130,305
Excess (Deficiency) of Revenues Over (Under) Expenditures	(503,890)	(598,890)	(602,751)	(3,861)	(557,155)
OTHER SOURCES (USES)					
Transfers In	503,890	598,890	602,751	3,861	585,501
TOTAL OTHER FINANCING SOURCES (USES)	503,890	598,890	602,751	3,861	585,501
Net Change in Fund Balance	-	-	-	-	28,346
FUND BALANCE, BEGINNING	-	-	-	-	(28,346)
FUND BALANCE, ENDING	$ -	$ -	$ -	$ -	$ -

CITY OF ROCKPORT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
HOTAL TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual	Variance with Final Budget- Positive	2024 Actual
	Original	Final	Amounts	(Negative)	Amounts
REVENUES					
Occupancy Tax	$ 1,200,000	$ 1,425,000	$ 1,226,972	$ (198,028)	$ 1,138,879
Miscellaneous	-	-	639	(639)	-
TOTAL REVENUES	1,200,000	1,425,000	1,227,611	(198,667)	1,138,879
EXPENDITURES					
Current:					
Tourism Development	1,108,900	1,401,900	1,300,843	101,057	1,429,213
Capital Outlay	1,000	1,000	-	1,000	-
TOTAL EXPENDITURES	1,109,900	1,402,900	1,300,843	102,057	1,429,213
Excess (Deficiency) of Revenues Over (Under) Expenditures	90,100	22,100	(73,232)	(95,332)	(290,334)
OTHER SOURCES (USES)					
Transfers In	88,000	20,000	-	(20,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	88,000	20,000	-	(20,000)	-
Net Change in Fund Balance	2,100	2,100	(73,232)	(75,332)	(290,334)
FUND BALANCE, BEGINNING	1,905,103	1,905,103	1,905,103	-	2,195,437
FUND BALANCE, ENDING	$ 1,907,203	$ 1,907,203	$ 1,831,871	$ (75,332)	$ 1,905,103

CITY OF ROCKPORT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
UTILITY SURCHARGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual	Variance with Final Budget- Positive	2024 Actual
	Original	Final	Amounts	(Negative)	Amounts
REVENUES					
Charges for Services	$ 413,870	$ 413,870	$ 402,369	$ (11,501)	$ 256,695
TOTAL REVENUES	413,870	413,870	402,369	(11,501)	256,695
EXPENDITURES					
Current:					
General Government	8,277	8,277	8,277	-	3,674
Public Safety	405,593	405,593	359,480	46,113	251,562
TOTAL EXPENDITURES	413,870	405,593	367,757	46,113	255,236
Net Change in Fund Balance	-	8,277	34,612	26,335	1,459
FUND BALANCE, BEGINNING	151,611	151,611	151,611	-	150,152
FUND BALANCE, ENDING	$ 151,611	$ 159,888	$ 186,223	$ 26,335	$ 151,611

CITY OF ROCKPORT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
COURT SECURITY AND TECHNOLOGY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual	Variance with Final Budget- Positive	2024 Actual
	Original	Final	Amounts	(Negative)	Amounts
REVENUES					
Fines and Forfeitures	$ 7,085	$ 7,085	$ 6,508	$ (577)	$ 7,079
TOTAL REVENUES	7,085	7,085	6,508	(577)	7,079
EXPENDITURES					
Current:					
General Government	7,085	7,085	2,383	4,702	3,484
TOTAL EXPENDITURES	7,085	7,085	2,383	4,702	3,484
Net Change in Fund Balance	-	-	4,125	4,125	3,595
FUND BALANCE, BEGINNING	26,418	26,418	26,418	-	22,823
FUND BALANCE, ENDING	$ 26,418	$ 26,418	$ 30,543	$ 4,125	$ 26,418

CITY OF ROCKPORT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
JUVENILE CASE MANAGER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget- Positive (Negative)	2024 Actual Amounts
	Original	Final			
REVENUES					
Fines and Forfeitures	$ 5,000	$ 5,000	$ 7,360	$ 2,360	$ 4,314
TOTAL REVENUES	5,000	5,000	7,360	2,360	4,314
EXPENDITURES					
Current:					
General Government	25,750	25,750	27,419	(1,669)	23,113
TOTAL EXPENDITURES	25,750	25,750	27,419	(1,669)	23,113
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,750)	(20,750)	(20,059)	691	(18,799)
OTHER SOURCES (USES)					
Transfers In	20,750	20,750	20,750	-	50,658
TOTAL OTHER FINANCING SOURCES (USES)	20,750	20,750	20,750	-	50,658
Net Change in Fund Balance	-	-	691	691	31,859
FUND BALANCE, BEGINNING	-	-	-	-	(31,859)
FUND BALANCE, ENDING	$ -	$ -	$ 691	$ 691	$ -

CITY OF ROCKPORT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual Amounts	Variance With Final Budget - Positive (Negative)	2024 Actual
	Original	Final			
REVENUES					
Property Taxes	$ 4,557,884	$ 4,557,884	$ 4,531,054	$ (26,830)	$ 3,799,314
Investment Earnings	-	-	29	29	32
TOTAL REVENUES	4,557,884	4,557,884	4,531,083	(26,801)	3,799,346
EXPENDITURES					
Debt Service:					
Principal	3,454,834	3,454,834	3,173,681	281,153	2,563,547
Interest	1,103,050	1,103,050	1,139,372	(36,322)	1,122,593
TOTAL EXPENDITURES	4,557,884	4,557,884	4,313,053	244,831	3,686,140
Net Change in Fund Balance	-	-	218,030	218,030	113,206
FUND BALANCE - BEGINNING	1,438,433	1,438,433	1,438,433	-	1,325,227
FUND BALANCE - ENDING	$ 1,438,433	$ 1,438,433	$ 1,656,463	$ 218,030	$ 1,438,433

STATISTICAL SECTION

This part of the City of Rockport's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends (Tables 1 through 4)

Net Position by Component
Change in Net Position
Fund Balances - Governmental Funds
Changes in Fund Balances - Governmental Funds

These schedules contain trend information to help reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity (Tables 5 through 9)

Tax Revenues by Source - Governmental Funds
Assessed Value and Estimated Actual Value of Taxable Property
Direct and Overlapping Property Tax Rates
Principal Property Taxpayers
Property Tax Levies and Collections

These schedules contain information to help readers assess the factors affecting the City's ability to generate its property and sales tax.

Debt Capacity (Tables 10 through 13)

Ratios of Outstanding Debt by Type
Ratios of General Bonded Debt Outstanding
Direct and Overlapping Governmental Activities Debt
Debt Margin Information

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information (Tables 14 through 15)

Demographic and Economic Statistics
Principal Employers

These schedules offer demographic and economic indicators to help the reader understand how the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information (Tables 16 through 18)

Full-time Equivalent City Government Employees by Function
Operating Indicators by Function/Program
Capital Asset Statistics by Function/Program

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

CITY OF ROCKPORT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
Governmental Activities				
Net Investment in Capital Assets	$ 16,359,297	$ 17,313,597	$ 12,705,425	$ 18,740,986
Restricted	1,192,945	1,479,596	1,231,127	1,270,937
Unrestricted	(37,337)	(2,054,477)	3,334,747	(3,373,632)
Total Governmental Activities				
Net Position	$ 17,514,905	$ 16,738,716	$ 17,271,299	$ 16,638,291
Business-Type Activities				
Net Investment in Capital Assets	$ 16,988,421	$ 20,420,255	$ 21,588,198	$ 22,071,001
Restricted	-	-	-	-
Unrestricted	8,319,376	6,179,215	1,894,758	2,590,468
Total Business-Type Activities				
Net Position	$ 25,307,797	$ 26,599,470	$ 23,482,956	$ 24,661,469
Primary Government				
Net Investment in Capital Assets	$ 33,347,718	$ 37,733,852	$ 34,293,623	$ 40,811,987
Restricted	1,192,945	1,479,596	1,231,127	1,270,937
Unrestricted	8,282,039	4,124,738	5,229,505	(783,164)
Total Primary Government Net Position	$ 42,822,702	$ 43,338,186	$ 40,754,255	$ 41,299,760

These years have not been restated for the change on this schedule.

TABLE 1

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 19,840,363	$ 22,756,047	$ 24,487,789	$ 23,252,907	$ 28,326,097	$ 33,043,923
1,773,707	2,169,775	2,635,004	2,859,344	4,034,865	3,944,065
(3,618,911)	(4,132,933)	(1,330,154)	6,720,986	6,152,791	9,035,463
$ 17,995,159	$ 20,792,889	$ 25,792,639	$ 32,833,237	$ 38,513,753	$ 46,023,451
$ 23,269,406	$ 23,733,553	$ 23,331,755	$ 25,096,266	$ 26,293,567	$ 31,027,323
-	-	-	-	-	-
4,119,375	6,107,494	9,467,301	10,208,118	13,528,658	9,496,421
$ 27,388,781	$ 29,841,047	$ 32,799,056	$ 35,304,384	$ 39,822,225	$ 40,523,744
$ 43,109,769	$ 46,489,600	$ 47,819,544	$ 48,349,173	$ 54,619,664	$ 64,071,246
1,773,707	2,169,775	2,635,004	2,859,344	4,034,865	3,944,065
500,464	1,974,561	8,137,147	16,929,104	19,681,449	18,531,884
$ 45,383,940	$ 50,633,936	$ 58,591,695	$ 68,137,621	$ 78,335,978	$ 86,547,195

CITY OF ROCKPORT
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental Activities				
General Government	$ 2,619,202	$ 5,600,349	$ 5,619,934	$ 4,366,689
Public Safety	4,245,536	4,312,116	4,921,884	5,292,979
Public Works	1,468,510	1,609,854	1,520,833	1,939,714
Culture and Recreation	1,228,172	1,102,163	1,571,346	1,465,212
Tourism	897,016	623,225	620,016	721,784
Interest and Fiscal Agent Fees	754,966	733,939	781,227	639,927
Total Governmental Activities Expenses	11,213,402	13,981,646	15,035,240	14,426,305
Business-Type Activities				
Water and Sewer	8,330,913	8,186,640	8,975,471	8,887,596
Natural Gas System	1,525,253	1,617,518	1,795,239	1,988,347
Sanitation	294	1,951,334	2,054,464	2,136,230
Community Aquatic Center	501,870	428,671	451,815	449,565
Total Business-Type Activities	10,358,330	12,184,163	13,276,989	13,461,738
Total Primary Government Expenses	$ 21,571,732	$ 26,165,809	$ 28,312,229	$ 27,888,043
Program Revenues				
Governmental Activities				
Charges for Service:				
General Government	$ 186,238	$ 345,555	$ 840,612	$ 664,275
Public Safety	246,250	391,656	187,553	185,943
Tourism	-	-	-	-
Culture and Recreation	15,402	4,639	3,848	4,107
Operating Grants and Contributions	726,849	1,325,411	1,903,417	1,483,220
Capital Grants and Contributions	645,940	50,432	5,062	536,424
Total Governmental Activities Program Revenues	1,820,679	2,117,693	2,940,492	2,873,969
Business-Type Activities				
Charges for Service:				
Water and Sewer	10,443,336	10,338,747	8,974,043	10,509,995
Natural Gas System	1,780,909	1,826,135	1,662,341	2,061,303
Sanitation	17,867	2,048,327	2,061,393	2,256,801
Community Aquatic Center	216,314	209,227	165,574	175,940
Operating Grants and Contributions	37,000	37,667	38,833	43,333
Capital Grants and Contributions	78,615	2,218	1,650	-
Total Business-Type Activities Program Revenues	12,574,041	14,462,321	12,903,834	15,047,372
Total Primary Government Program Revenues	$ 14,394,720	$ 16,580,014	$ 15,844,326	$ 17,921,341

TABLE 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 3,977,380	$ 3,716,764	$ 4,084,415	$ 4,276,107	$ 4,600,530	$ 5,728,482
5,276,575	5,651,595	5,498,742	5,707,213	6,139,101	6,316,768
1,505,912	2,139,632	4,474,452	1,998,194	1,789,803	1,510,945
1,457,207	1,410,908	1,627,805	1,629,909	1,502,690	1,556,569
708,391	722,799	772,422	1,008,098	1,428,712	1,300,843
833,318	937,907	1,025,417	1,084,620	553,507	925,056
13,758,783	14,579,605	17,483,253	15,704,141	16,014,343	17,338,663
8,922,626	9,359,609	9,865,621	11,312,674	12,609,801	11,873,332
1,985,018	1,849,671	2,741,025	2,263,898	2,079,782	2,662,966
2,152,087	2,437,819	2,446,560	3,182,223	3,285,525	3,354,419
432,301	499,821	711,099	680,483	709,496	694,606
13,492,032	14,146,920	15,764,305	17,439,278	18,684,604	18,585,323
$ 27,250,815	$ 28,726,525	$ 33,247,558	$ 33,143,419	$ 34,698,947	$ 35,923,986
$ 551,897	$ 803,733	$ 826,821	$ 730,792	$ 895,782	$ 748,838
168,843	108,484	80,210	59,949	893,542	1,079,176
-	-	-	-	-	545
39	-	-	-	105,476	50,153
1,316,744	1,407,524	291,245	223,078	24,270	62,909
606,653	594,805	4,861,539	1,806,714	2,196,215	1,209,875
2,644,176	2,914,546	6,059,815	2,820,533	4,115,285	3,151,496
12,137,157	12,339,655	13,738,327	14,439,888	14,373,397	14,001,217
2,099,457	2,474,263	3,296,863	3,125,498	3,089,156	3,162,371
2,463,510	2,697,793	2,971,727	3,213,798	3,427,179	3,612,079
47,449	92,886	132,669	121,185	167,793	168,687
48,083	51,411	39,960	33,917	-	-
-	-	-	-	1,607,884	1,236,752
16,795,656	17,656,008	20,179,546	20,934,286	22,665,409	22,181,106
$ 19,439,832	$ 20,570,554	$ 26,239,361	$ 23,754,819	$ 26,780,694	$ 25,332,602

CITY OF ROCKPORT
CHANGE IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
Net (Expenses)/Revenue				
Governmental Activities	$ (9,392,723)	$ (11,863,953)	$ (12,094,748)	$ (11,552,336)
Business-Type Activities	2,215,711	2,278,158	(373,155)	1,585,634
Total Primary Government Net Expenses	$ (7,177,012)	$ (9,585,795)	$ (12,467,903)	$ (9,966,702)
Governmental Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes	$ 5,228,422	$ 5,541,427	$ 5,915,568	$ 6,082,642
Sales and Mixed Beverage Taxes	2,481,777	2,459,617	3,019,444	2,780,574
Franchise Taxes	1,045,731	1,064,310	976,197	1,068,650
Occupancy Taxes	860,124	866,970	479,754	713,075
Interest and Investment Earnings	43,635	52,998	84,505	123,840
Miscellaneous	79,695	93,630	2,418,135	15,178
Transfers	898,181	1,008,809	1,467,804	428,258
Total Governmental Activities	10,637,565	11,087,761	14,361,407	11,212,217
Business-Type Activities				
Interest and Investment Earnings	4,285	9,706	35,368	51,550
Miscellaneous	-	12,618	-	33,103
Transfers	(898,181)	(1,008,809)	(1,467,804)	(428,258)
Total Business-Type Activities	(893,896)	(986,485)	(1,432,436)	(343,605)
Total Primary Government	$ 9,743,669	$ 10,101,276	$ 12,928,971	$ 10,868,612
Changes In Net Position				
Government Activities	$ 1,244,842	$ (776,192)	$ 2,266,659	$ (340,119)
Business-Type Activities	1,321,815	1,291,673	(1,805,591)	1,242,029
Total Primary Government	$ 2,566,657	$ 515,481	$ 461,068	$ 901,910

These years have not been restated for the change on this schedule.

TABLE 2 (Continued)

				Fiscal Year							
2020		2021		2022		2023		2024		2025	
$	(11,114,607)	$	(11,665,059)	$	(11,423,438)	$	(12,883,608)	$	(11,899,058)	$	(14,187,167)
	3,303,624		3,509,088		4,415,241		3,495,008		3,980,805		3,595,783
$	(7,810,983)	$	(8,155,971)	$	(7,008,197)	$	(9,388,600)	$	(7,918,253)	$	(10,591,384)
$	6,563,714	$	7,195,781	$	7,551,441	$	8,305,647	$	9,401,378	$	10,835,913
	2,857,039		3,239,904		3,620,483		3,831,805		3,813,550		3,994,167
	1,096,677		1,085,069		922,717		1,125,402		853,903		842,978
	914,803		1,233,252		1,380,179		1,180,536		1,138,880		1,226,972
	49,313		16,491		189,113		953,766		916,070		761,712
	281,319		504,684		1,145,029		3,021,013		395,586		260,057
	703,911		1,177,608		1,624,226		1,506,037		1,025,511		3,775,066
	12,466,776		14,452,789		16,433,188		19,924,206		17,544,878		21,696,865
	30,785		6,451		16,245		260,053		314,548		254,313
	6,810		114,335		150,749		256,304		-		626,489
	(703,911)		(1,177,608)		(1,624,226)		(1,506,037)		(1,025,511)		(3,775,066)
	(666,316)		(1,056,822)		(1,457,232)		(989,680)		(710,963)		(2,894,264)
$	11,800,460	$	13,395,967	$	14,975,956	$	18,934,526	$	16,833,915	$	18,802,601
$	1,352,169	$	2,787,730	$	5,009,750	$	7,040,598	$	5,645,820	$	7,509,698
	2,727,308		2,452,266		2,958,009		2,505,328		3,269,842		701,519
$	4,079,477	$	5,239,996	$	7,967,759	$	9,545,926	$	8,915,662	$	8,211,217

CITY OF ROCKPORT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
General Fund:				
Nonspendable	$ 56,290	$ -	$ 63,038	$ 46,151
Restricted	-	-	75,000	100,000
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	3,414,849	1,677,334	4,144,587	3,355,647
Total General Fund	$ 3,471,139	$ 1,677,334	$ 4,282,625	$ 3,501,798
All Other Governmental Funds:				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	8,414,801	8,044,416	7,387,657	6,278,378
Committed	320,049	299,247	240,015	635,692
Assigned	81,823	277,061	344,067	792,337
Unassigned	(96,151)	-	(171,997)	(96,754)
Total All Other Governmental Funds	$ 8,720,522	$ 8,620,724	$ 7,799,742	$ 7,609,653

TABLE 3

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 50,841	$ 42,989	$ 40,000	$ 51,853	$ 377,839	$ 272,402
100,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,936,189	4,411,681	3,470,999	3,775,925	4,188,757	9,692,448
$ 4,087,030	$ 4,454,670	$ 3,510,999	$ 3,827,778	$ 4,566,596	$ 9,964,850
$ -	$ -	$ -	$ 150,525	$ -	$ -
20,879,742	20,479,361	29,194,921	15,064,115	4,104,163	5,273,172
1,039,517	1,043,742	1,478,385	1,325,227	517,708	-
734,775	1,020,771	668,581	632,527	8,570,636	6,897,518
(698,749)	(1,260,623)	(4,412,190)	(31,859)	-	-
$ 21,955,285	$ 21,283,251	$ 26,929,697	$ 17,140,535	$ 13,192,507	$ 12,170,690

CITY OF ROCKPORT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
REVENUES				
Taxes and Business Fees	$ 9,642,954	$ 9,930,322	$ 10,386,841	$ 10,644,722
Licenses and Permits	227,790	301,191	793,143	616,333
Intergovernmental	1,372,789	1,375,842	1,908,480	2,019,643
Fines and Forfeitures	237,659	56,854	184,718	183,517
Grants and Donations	-	-	-	-
Charges for Services	57,440	383,806	54,152	54,476
Interest on Investments	43,635	52,998	84,505	123,841
Miscellaneous	79,695	93,630	2,418,133	180,524
TOTAL REVENUES	11,661,962	12,194,643	15,829,972	13,823,056
EXPENDITURES				
Current:				
General Government	2,375,604	5,355,244	5,103,978	4,276,405
Public Safety	3,857,783	3,863,413	4,576,201	4,632,229
Public Works	939,095	997,156	1,011,631	1,253,555
Culture and Recreation	1,020,219	978,227	1,314,065	1,123,671
Tourism	897,016	623,225	620,016	721,784
Capital Outlay	4,895,242	959,462	1,742,669	905,960
Debt Service:				
Principal	1,691,815	738,774	1,684,409	1,706,669
Interest and Fiscal Agent Fees	622,956	1,730,748	689,314	658,660
Bond Issuance Cost	103,362	-	18,254	-
TOTAL EXPENDITURES	16,403,092	15,246,249	16,760,537	15,278,933
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,741,130)	(3,051,606)	(930,565)	(1,455,877)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	-
Issuance of Debt	3,504,112	78,035	1,410,978	-
Bond Premium	-	-	-	-
Transfer In	1,788,699	2,196,206	2,884,923	2,616,340
Transfers Out	(798,551)	(1,115,941)	(1,581,328)	(2,131,325)
TOTAL OTHER FINANCING SOURCES (USES)	4,494,260	1,158,300	2,714,573	485,015
NET CHANGE IN FUND BALANCE	$ (246,870)	$ (1,893,306)	$ 1,784,008	$ (970,862)
Debt Service as a Percentage of Noncapital Expenditures	19.5%	17.3%	15.8%	16.5%

TABLE 4

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 11,387,205	$ 12,754,006	$ 13,672,346	$ 14,345,267	$ 15,063,088	$ 16,819,158
502,005	663,394	660,739	515,054	805,521	204,611
1,923,396	2,002,330	5,152,784	2,029,792	-	638,964
166,770	140,339	166,082	215,738	198,873	940,071
-	-	-	-	2,284,563	
54,540	108,484	80,210	59,949	843,035	1,328,277
49,313	16,491	189,113	953,766	916,070	761,713
463,351	267,553	136,356	2,430,191	375,181	138,515
14,546,580	15,952,597	20,057,630	20,549,757	20,486,331	20,831,309
3,622,353	3,469,696	3,964,803	4,163,840	3,568,885	3,390,599
4,714,526	5,137,721	5,263,612	5,409,359	5,778,880	5,669,178
964,965	1,552,501	4,010,789	1,487,921	1,401,395	1,687,430
1,134,880	1,115,100	1,427,287	1,437,107	1,307,859	1,321,069
708,391	717,182	770,500	1,021,674	1,429,213	1,300,843
1,641,182	2,274,475	6,455,502	14,402,962	6,799,174	5,016,243
1,691,024	2,241,947	2,339,063	2,200,124	2,563,547	3,173,681
602,999	937,907	1,025,417	1,370,280	1,122,593	1,139,372
219,543	-	-	-	-	60,000
15,299,863	17,446,529	25,256,973	31,493,267	23,971,546	22,758,415
(753,283)	(1,493,932)	(5,199,343)	(10,943,510)	(3,485,215)	(1,927,106)
-	-	-	-	3,705	-
14,939,543	-	7,640,000	-	-	3,075,000
-	-	609,026	-	-	-
2,637,079	2,759,143	2,993,184	3,064,489	2,291,417	6,397,000
(1,897,163)	(1,569,605)	(1,340,092)	(1,593,362)	(2,053,813)	(3,168,457)
15,679,459	1,189,538	9,902,118	1,471,127	241,309	6,303,543
$ 14,926,176	$ (304,394)	$ 4,702,775	$ (9,472,383)	$ (3,243,906)	$ 4,376,437
17.1%	21.0%	12.4%	14.9%	14.8%	23.5%

CITY OF ROCKPORT
TAX REVENUE BY SOURCE – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

TABLE 5

Fiscal Year	Property	Sales & Use Mixed Beverage	Occupancy	Franchise & Other	Total Taxes
2016	$ 5,228,422	$ 2,481,777	$ 860,124	$ 1,072,631	$ 9,642,954
2017	5,541,427	2,459,617	866,970	1,062,308	9,930,322
2018	5,915,568	3,019,444	479,754	972,075	10,386,841
2019	6,082,642	2,780,574	713,075	1,068,431	10,644,722
2020	6,563,714	2,857,039	914,803	1,051,649	11,387,205
2021	7,195,781	3,239,904	1,233,252	1,085,069	12,754,006
2022	7,551,441	3,620,483	1,380,179	1,120,243	13,672,346
2023	8,305,647	3,831,805	1,180,536	1,027,279	14,345,267
2024	9,401,378	3,813,550	1,138,880	709,280	15,063,088
2025	10,765,123	3,984,085	1,226,972	842,978	16,819,158

CITY OF ROCKPORT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST EIGHT FISCAL YEARS
(UNAUDITED)

TABLE 6

		Real Property					
Fiscal Year	Roll Year	Residential Property	Commercial and Industrial Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2018	2017	580,691,927	1,211,296,464	53,767,990	220,350,367	$ 1,625,406,014	0.385640
2019	2018	529,701,982	1,038,364,017	52,186,320	188,307,713	$ 1,431,944,606	0.451963
2020	2019	602,975,867	1,215,829,116	58,870,150	211,732,857	$ 1,665,942,276	0.420082
2021	2020	615,394,570	1,359,289,588	55,560,680	220,022,516	$ 1,810,222,322	0.421311
2022	2021	670,068,742	1,541,951,654	54,503,740	238,920,117	$ 2,027,604,019	0.392720
2023	2022	782,577,850	1,706,520,554	63,932,480	288,792,467	$ 2,264,238,417	0.378149
2024	2023	984,465,770	2,130,028,427	71,625,400	443,559,478	$ 2,742,560,119	0.360078
2025	2024	1,110,810,480	2,171,879,375	70,925,910	451,630,569	$ 2,901,985,196	0.405294

Source: *Aransas County Tax Offices*

Note: *Property in the City of Rockport is reassessed every year at estimated actual value. For this reason, assessed value is equal to estimated actual value. Tax rates are per $100 of assessed value. Total taxable assessed value is before any applicable freeze adjustments.*

Information will be accumulated until ten years are presented.

CITY OF ROCKPORT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 7

	City Direct Rates			Overlapping Rates			
Fiscal Year	Basic	General Obligation Debt Service	Total Direct	Aransas County	Aransas County Navigation District	Aransas County Road/ Flood	Rockport-Fulton ISD
2016	0.219047	0.145811	0.364858	0.313045	0.052511	0.07242	1.15600
2017	0.233912	0.155371	0.389283	0.331667	0.052622	0.07328	1.16952
2018	0.239805	0.145835	0.385640	0.333876	0.050768	0.06944	1.16393
2019	0.248198	0.203765	0.451963	0.396583	0.059822	0.08253	1.16393
2020	0.248157	0.171928	0.420085	0.375761	0.052008	0.07569	1.03000
2021	0.241668	0.179643	0.421311	0.360785	0.049776	0.07276	0.98030
2022	0.208434	0.184286	0.392720	0.326898	0.045164	0.06602	0.93150
2023	0.220511	0.157638	0.378149	0.299871	0.040434	0.05854	0.99910
2024	0.213583	0.146495	0.360078	0.309349	0.034041	0.04906	0.77500
2025	0.235544	0.169750	0.405294	0.322432	0.032352	0.04757	0.78120

Source: *Aransas County Tax Offices*

Note: *Overlapping rates are those of local and county governments that apply within the City of Rockport. Not all overlapping rates apply to all City of Rockport property owners.*

CITY OF ROCKPORT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TABLE 8

Taxpayer	2025 Taxable Assessed Value	2025 Rank	2025 Percentage of Total City Taxable Assessed Value	2016 Taxable Assessed Value	2016 Rank	2016 Percentage of Total City Taxable Assessed Value
Pearl Point Phase 2, LLC	$ 20,119,680	1	0.69%			
Sea Grass at Rockport, LP	18,065,500	2	0.62%			
Oaks at Bentwater, LP	15,242,180	3	0.53%	$ 9,474,000	1	0.55%
Pearl Point Rockport I, LLC	13,800,000	4	0.48%			
C H Marina and Drystack LP	13,409,680	5	0.46%	6,157,460	5	0.36%
AEP Texas Central Comp	13,134,640	6	0.45%	5,211,760	8	0.30%
Rockport Texas RV, LLC	11,903,232	7	0.41%			
H E Butt Grocery	7,667,410	8	0.26%	6,512,590	4	0.38%
Arches Hospitality, LLC	7,532,170	9	0.26%			
J & S Lagoons RV, LLC	6,851,110	10	0.24%			
Wal-Mart Real Estate Bus Tr				7,000,000	2	0.41%
Rockport Harborfront, LP				6,806,910	3	0.40%
Heritage Hotels Rockport LP				5,680,270	6	0.33%
Wal-Mart Stores East #440				5,495,600	7	0.32%
Lokseva, Inc				4,036,350	9	0.24%
Sabra Texas Properties II lP				3,611,780	10	0.21%
TOTALS	$ 127,725,602		4.40%	$ 59,986,720		3.50%
TOTAL TAXABLE ASSESSED VALUE	$ 2,901,985,196			$ 1,493,022,236		

Source: Aransas County Appraisal District

CITY OF ROCKPORT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 9

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected Within Fiscal Year of Levy: Amount	Collected Within Fiscal Year of Levy: % of Levy	Collections In Subsequent Years	Total Collections To Date: Amount	Total Collections To Date: % of Levy
2016	$ 5,109,529	$ 5,049,937	98.83%	$ 49,547	$ 5,097,117	99.76%
2017	5,510,593	5,449,280	98.89%	50,227	5,495,784	99.73%
2018	5,885,041	5,820,159	98.90%	50,000	5,871,532	99.77%
2019	6,034,776	5,979,307	99.08%	37,919	6,033,061	99.97%
2020	6,559,985	6,458,383	98.45%	45,115	6,549,155	99.83%
2021	7,120,566	7,034,301	98.79%	60,535	7,094,836	99.64%
2022	7,503,102	7,357,524	98.06%	90,116	7,447,640	99.26%
2023	8,111,169	7,979,969	98.38%	65,166	8,045,135	99.19%
2024	9,384,571	9,200,206	98.04%	20,930	9,221,136	98.26%
2025	10,887,769	10,663,210	97.94%	-	10,663,210	97.94%

Source: Aransas County Appraisal District

CITY OF ROCKPORT
RATIOS OF DEBT OUTSTANDING BY TYPE
LAST TEN FISCAL YEARS

TABLE 10

	Governmental Activities			Business-Type Activities				
Fiscal Year	General Bonded Debt	Notes Payable and Energy Bond	Tax Notes	General Bonded Debt	Notes Payable and Energy Bond	Total Primary Government	Percent of Personal Income	Per Capita
2016	$ 20,627,508	$ 778,123	$ -	$ 25,716,709	$ -	$ 47,122,340	17.69%	5,036
2017	20,052,940	737,180	-	16,648,392	-	37,438,512	11.74%	3,517
2018	18,306,444	2,028,160	-	15,517,160	7,908,560	43,760,324	13.50%	4,146
2019	16,594,891	1,875,666	-	-	7,619,599	26,090,156	12.33%	2,548
2020	29,854,021	1,718,570	-	-	7,314,789	38,887,380	15.76%	3,545
2021	26,783,473	1,561,377	-	-	6,993,541	35,338,391	14.00%	3,249
2022	23,178,023	1,393,247	7,640,000	-	6,655,322	38,866,592	5.81%	3,625
2023	21,284,569	1,236,578	7,490,000	-	6,363,510	36,374,657	5.26%	3,328
2024	21,123,950	1,068,742	7,130,000	4,701,141	8,287,248	42,311,081	5.30%	3,822
2025	18,715,059	998,799	9,230,000	3,559,880	3,475,815	35,979,553	4.36%	3,144

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. See Table 6 for the City's property tax value data. City population data can be found in Table 14.

CITY OF ROCKPORT
RATIOS OF GENERAL BONDED DEBT OUSTANDING
LAST EIGHT FISCAL YEARS

TABLE 11

	Governmental			Business-Type						
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Tax Notes	General Obligation Bonds	Tax Notes	Total	Less Resources Restricted for Debt Service	Net Debt Outstanding	Percentage of Taxable Value of Property	Per Capita
2018	$ 18,306,444	$ 2,028,160	$ -	$ -	$ 15,517,160	$ 35,851,764	$ (240,015)	$ 35,611,749	2.19%	3,374
2019	16,594,891	1,875,666	-	-	-	18,470,557	(635,692)	17,834,865	1.25%	1,742
2020	29,854,021	1,718,570	-	-	-	31,572,591	(1,039,517)	30,533,074	1.83%	2,784
2021	26,783,473	1,561,377	-	-	-	28,344,850	(1,043,742)	27,301,108	1.51%	2,510
2022	23,178,023	1,393,247	7,640,000	-	-	32,211,270	(1,478,385)	30,732,885	1.52%	2,866
2023	21,284,569	1,236,578	7,490,000	-	-	30,011,147	(1,325,227)	28,685,920	1.27%	2,625
2024	17,563,950	3,560,000	7,130,000	4,701,141	8,287,248	41,242,339	(1,438,433)	39,803,906	1.45%	3,596
2025	15,410,059	3,305,000	9,230,000	3,559,880	3,475,815	34,980,754	(1,594,797)	33,385,957	1.15%	2,917

Note 1: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. See Table 6 for the City's property tax value data. City population data can be found in Table 14.

Note 2: Information will be accumulated until ten years are presented.

CITY OF ROCKPORT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
CURRENT YEAR

TABLE 12

Governmental Unit		Debt Outstanding	Estimated Percentage Applicable*		Estimated Share of Overlapping Debt
Debt repaid with property taxes:					
Aransas County	$	15,600,000	46.64%	$	7,275,840
Aransas County Navigation District		930,000	46.64%		433,752
Aransas Pass ISD		11,495,000	1.62%		186,219
Rockport-Fulton ISD		81,807,000	48.21%		39,439,155
Subtotal, Overlapping Debt					47,334,966
City Direct Debt					34,980,754
TOTAL DIRECT AND OVERLAPPING DEBT				$	82,315,720

NOTES: The overlapping debt was received from the Municipal Advisory Council of Texas. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

Overlapping debt is the proportionate share of the debts of local jurisdictions located wholly or in part within the limits of the City of Rockport. This schedule is intended to demonstrate the total debt that the City of Rockport property tax payers will be expected to repay. The amount of debt applicable to the City of Rockport is computed by (a) determining what portion of total assessed value of the overlapping jurisdiction lies within the limits of the City and (b) applying this percentage to the total governmental activities debt of the overlapping jurisdiction.

CITY OF ROCKPORT
DEBT MARGIN INFORMATION
LAST EIGHT FISCAL YEARS

TABLE 13

Assessed Value			$ 2,901,985,196
Debt Limit - Texas statues do not provide a legal debt limit for cities; however, through accepted practice a practical "economic" debt limit is considered to be 10% of the assessed value.			$ 290,198,520
Amount of Applicable Debt:			
Outstanding Debt		$ 34,980,754	
Less Debt Service Net Position		(1,594,797)	33,385,957
DEBT MARGIN			$ 256,812,563
Total Net Debt as a Percentage of Debt Margin			13.00%

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Debt Margin
2018	$ 162,540,601	$ (35,611,749)	$ 126,928,852
2019	143,194,461	(17,834,865)	125,359,596
2020	166,594,228	(30,533,074)	136,061,154
2021	181,022,232	(27,301,108)	153,721,124
2022	202,760,402	(30,732,885)	172,027,517
2023	226,423,842	(28,685,920)	197,737,922
2024	274,256,012	(39,803,906)	234,452,106

Note: Information will be accumulated until ten years are presented.

CITY OF ROCKPORT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

TABLE 14

Fiscal Year	Population[1]	Personal Income[3]	Per Capita Personal Income (in thousands)	Median Age[5]	School Enrollment[4]	Unemployment Rate[2]
2016	9,357	$ 28,472	$ 266,413	49.0	3,405	5.1%
2017	10,645	29,952	318,839	49.5	2,547	6.9%
2018	10,555	30,706	324,102	49.3	3,316	6.8%
2019	10,238	31,788	325,343	49.1	2,635	4.2%
2020	10,969	30,172	330,957	51.4	2,965	9.0%
2021	10,877	30,172	328,181	51.4	3,009	5.8%
2022	10,722	62,394	668,988	54.6	3,005	5.0%
2023	10,929	63,303	691,838	50.3	2,968	7.7%
2024	11,069	72,174	798,894	51.2	2,968	6.1%
2025	11,444	72,174	825,959	51.2	3,000	6.1%

Sources:
(1) City of Rockport
(2) Employment Status per the United States Census Bureau
(3) Median Income in the Past 12 Months per the United States Census Bureau
(4) Texas Education Agency
(5) Median Age per the United States Census Bureau

CITY OF ROCKPORT
TOP TEN PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

TABLE 15

	2025			2016		
EMPLOYER	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Aransas County ISD	466	1	--	521	1	--
Aransas County	220	2	--	175	6	--
Wal-Mart	220	2	--	250	2	--
H.E.B	203	4	--	185	4	--
City of Rockport	133	5	--	130	7	--
State of Texas	100	6	--	107	8	--
Gulf Pointe Plaza	80	7	--	93	9	--
Paradise Key	76	8	--	--		--
Rockport Nursing & Rehabilitation Center	72	9	--	--		--
Builders First Source	60	10	--	--		--
Care Regional Medical Center	--	--	--	210	3	--
Wood Group Production Service	--	--	--	181	5	--
Rockport Coastal Care Center	--	--	--	75	10	--
Total	1,630		0.00%	1,927		--

Source: City of Rockport

Note: The total of City employment was not estimable as of the date of this report.

CITY OF ROCKPORT
FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

TABLE 16

	Full-Time Equivalent Employees as of September 30,									
Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Municipal Court	3	3	3	3	3	3	3	3	3	3
City Secretary	3	3	3	3	3	3	2	2	1	1
City Manager	1	1	1	1	2	2	2	2	3	3
Information/Technology	2	2	2	2	2	2	2	2	2	2
Finance	2	2	2	2	3	4	4	4	4	4
Public Safety										
Police										
Officers	26	26	26	26	28	28	27	27	27	27
Civilians	15	15	16	16	15	18	19	19	16	16
Public Works										
Building and Development	7	8	8	8	7	6	6	6	10	10
Street and Drainage	7	7	7	7	5	5	7	7	7	7
Building Maintenance	1	-	-	-	-	-	-	1	1	1
Fleet	2	3	3	3	3	3	3	3	3	4
Parks and Recreation	13	13	13	13	15	15	15	15	23	23
Utilities:										
Water	18	18	17	17	17	17	19	19	14	14
Wastewater	10	10	8	8	7	8	10	10	11	11
Environmental	2	2	-	-	-	-	-	-	-	-
Natural Gas	8	8	9	9	9	9	10	8	7	-
Customer Service	6	5	5	5	5	5	6	7	7	7
Convention Visitor Bureau	-	-	-	-	-	-	-	-	3	3
TOTAL	126	126	123	123	124	128	135	135	141	135

Source: City Adopted Budgets

Note Full-time equivalent is based on the schedule hours of positions to a 40 hour work week.

CITY OF ROCKPORT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE 17

Function	Fiscal Year 2016	2017	2018	2019
General Government				
Building Permits Issued	1,238	1,989	4,760	1,997
Building Inspections Conducted	2,137	2,733	3,791	3,304
Police				
Physical Arrests	351	687	880	541
Traffic Violations	1,598	1,057	1,500	4,688
Fire	N/A	N/A	N/A	N/A
Refuse Collection	N/A	N/A	N/A	N/A
Public Works				
Streets Resufacing (miles)	9.1	-	-	-
Library	N/A	N/A	N/A	N/A
Water				
New Connections	154	152	87	207
Average Daily Consumption (gallons)	2,684,000	2,761,000	2,591,000	2,352,700
Peak Daily Consumption (gallons)	4,027,000	4,662,000	4,677,000	3,874,000
Storage Capacity (gallons)	8,100,000	7,600,000	7,600,000	7,600,000
Wastewater				
Average Daily Treatment (millions of gallons)	1.44	1.02	1.32	1.02
Transit	N/A	N/A	N/A	N/A

Source: Various City Departments.

TABLE 17

Fiscal Year					
2020	2021	2022	2023	2024	2025
1,250	2,535	1,776	1,498	1,934	1,386
2,852	3,304	2,808	3,896	3,912	4,396
550	620	531	365	464	386
3,742	3,742	575	799	1,320	825
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
-	6.7	13.3	14.2	12.6	12.6
N/A	N/A	N/A	N/A	N/A	N/A
241	205	334	387	198	192
2,658,000	2,800,000	2,781,000	2,905,000	3,026,000	2,598,000
5,782,000	4,808,000	4,796,000	5,015,000	4,771,000	4,715,000
7,600,000	7,600,000	6,900,000	6,900,000	6,900,000	6,900,000
1.12	1.29	1.11	1.14	1.21	1.19
N/A	N/A	N/A	N/A	N/A	N/A

CITY OF ROCKPORT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE 18

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	12	20	20	20	21	36	22	28	28	28
Fire										
Stations	2	2	2	2	2	1	2	2	2	2
Public Works										
Streets (miles)	87.0	87.0	87.0	87.0	87.0	87.0	93	93	93	94
Parks and Recreation										
Acreage	150.0	211.0	211.0	211.0	211.0	211.0	211	211	211	211
Parks	10	15	15	15	15	15	15	15	15	15
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Community Centers	-	-	-	-	-	-	--	--	--	--
Water										
Water Mains (miles)	163.0	191.0	191.0	191.0	191.0	196.0	206	209	211	213
Storage Capacity (thousands of gallons)	8,100	7,600	7,600	7,600	7,600	7,600	6,900	6,900	6,900	6,900
Wastewater										
Sanitary Sewers (miles)	67.00	78.00	78.00	78.00	78.00	81.00	88	91	93	93
Storm Sewers (miles)	31	31	31	31	31	31	33	34	34	34
Treatment Capacity (thousands of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5

Source: Various City Departments

COMPLIANCE SECTION

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

INDEPENDENT AUDITOR'S REPORT

To the Mayor, City Council and management of
City of Rockport

We have audited, in accordance with 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 Rockport as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise City of Rockport's basic financial statements, and have issued our report thereon dated March 4, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Rockport's internal control over financial reporting (internal control) to determine the 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 City of Rockport's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Rockport'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 entity'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

941 West Byrd Blvd., Suite 101 • Universal City, Texas 78148
Phone: 210-658-6229 • Fax: 210-659-7611 • Email: info@avacpa.com • www.avacpa.com

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Rockport'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 determination of financial statement amounts. 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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.
March 4, 2026

Armstrong, Vaughan & Associates, P. C.
Certified Public Accountants

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Mayor, City Council and management of
City of Rockport

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Rockport's 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 City of Rockport's major federal programs for the year ended March 4, 2026. City of Rockport'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, City of Rockport 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and 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 City of Rockport 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 City of Rockport'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 City of Rockport's federal programs.

941 West Byrd Blvd., Suite 101 • Universal City, Texas 78148
Phone: 210-658-6229 • Fax: 210-659-7611 • Email: info@avacpa.com • www.avacpa.com

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 City of Rockport'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*, and 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 City of Rockport'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 City of Rockport'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 City of Rockport'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 City of Rockport'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.

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.

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.

March 4, 2026

CITY OF ROCKPORT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2025

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Any material weaknesses identified?	No
Any significant deficiencies identified?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Any material weaknesses identified?	No
Any significant deficiencies identified?	No
Type of auditor's report issued on compliance for 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 program:

ALN Number	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery

Dollar threshold used to distinguish between type A and type B programs:	$1,000,000
Auditee qualified as low-risk auditee?	No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

D. Prior Year Findings

NONE

CITY OF ROCKPORT
SCHEDULE OF FEDERAL EXPENDITURES
FOR THE YEAR ENDING SEPTEMBER 30, 2025

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing Number	Pass-Through Entity Number	Federal Expenditures
U.S. DEPARTMENT OF TREASURY			
Passed Texas Division of Emergency Management			
Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	$ 1,011,131
TOTAL U.S. DEPARTMENT OF TREASURY			1,011,131
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Texas Department of Agriculture			
Community Development Block Grant	14.228	CDV23	62,240
Passed Texas General Land Office			
Community Development Block Grant	14.228	C252	804,239
	Total ALN 14.228		866,479
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			866,479
U.S. DEPARTMENT OF FEDERAL EMERGENCY MANAGEMENT			
Passed Texas Governor's Office			
Operation Stonegarden	97.067	N/A	124,474
Passed Texas Division of Emergency Management			
Disaster Grants - Public Assistance	97.036	N/A	69,651
Hazard Mitigation Grant	97.039	N/A	196,629
TOTAL U.S. DEPARTMENT OF FEDERAL EMERGENCY MANAGEMENT			390,754
U.S. DEPARTMENT OF JUSTICE			
Passed Texas Governor's Office			
Public Safety Partnership and Community Policing Grant	16.710	N/A	47,068
Passed The Drug Enforcement Administration			
Equitable Sharing Program	16.922	N/A	6,893
TOTAL U.S. DEPARTMENT OF JUSTICE			53,961
TOTAL FEDERAL AWARDS EXPENDED			$ 2,322,325

The accompanying schedule of expenditures of federal awards include the grant activity of the City and is presented on the modified accrual basis of accounting. The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenue in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable.

Federal and state grant funds are earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as unearned revenue until earned.

The information in these schedules is presented in accordance with the requirements Uniform Guidance.

The County did not use the 10% de minimis indirect cost rate as allowed by Uniform Guidance.

CITY of ROCKPORT, TEXAS

Est. 1870

CITY OF ROCKPORT
CITY COUNCIL REGULAR MEETING MINUTES
TUESDAY, FEBRUARY 24, 2026 - 5:00 PM
ROCKPORT CITY HALL
212 N LIVE OAK
ROCKPORT, TEXAS 78382

City Councilmembers Present:
Mayor Pro Tem (Ward 4) Andrea Hattman
Councilmember (Ward 2) Matt Anderson
Councilmember (Ward 3) Brad Brundrett

City Councilmembers Absent:
Mayor Tim Jayroe
Councilmember (Ward 1) Stephanie Rangel

City Staff Present:
Vanessa Shrauner, City Manager
Nathan Anderson, Police Chief
Ryan Picarazzi, Public Works Director
Robbie Sorrell, Director of Finance
Nannette Eiland, Tourism Manager
Kimberly Henry, Assistant to the City Manager
Bob Argtsinger, Director of IT
Shelley Goodwin, City Secretary

I. CALL TO ORDER AND ROLL CALL
Mayor Pro Tern Hattman called February 24, 2026, Regular Meeting to order at 5:00 p.m. announced that a quorum had been met.

II. PLEDGE OF ALLEGIANCE
Mayor Pro Tern Hattman led the Pledge of Allegiance.

III. CITIZENS TO BE HEARD
Bart Payne spoke about his two-acre property and the need to add another building on the property to restore cars. He noted he was told it would be a $500 a day fine if he built a carport; but his neighbors have several buildings on their property.

IV. CEREMONIAL MATTERS/PROCLAMATIONS/EMPLOYEE RECOGNITION
The City did not have any items.

V. CONSENT
1. **Consider the approval of the City Council Minutes for the following:**
   - **i. February 5, 2026, Workshop**
   - **ii. February 10, 2026, Regular Meeting**

2. Consider the approval of Resolution 2026-07R authorizing the Rockport Police Department to apply for and operate an Operation Stonegarden Grant Program (OPSG)

3. Consider the approval of the following Hotel Occupancy Tax Grant recipients' quarterly reports:
i. ACTS Aviation (Warbids Over South Texas)
ii. Chamber of Commerce (SeaFair)

4. Consider the approval of Resolution 2026-08R approving amended Wastewater Effluent Agreement with the Rockport Country Club Members Association; authorizing the Mayor to execute the agreement; and providing for an effective date.

Motion: Upon a motion made by Councilmember Brundrett and a second by Councilmember Anderson, to approve the Consent Agenda Items 1-4. The City Council voted by roll call:

Mayor Pro Tern Hattman	aye
Councilmember Anderson	aye
Councilmember Brundrett	aye

The motion to approve passed unanimously; three (3) for and none (0) against.

VI. ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS

5. Consider the approval of the first of two readings of Ordinance 2009 amending the City of Rockport Code of Ordinances Chapter 98 "Traffic and Vehicles", Article III "Speed" Section 98-61, Appendix T-25; providing for the validity of said Ordinance; repealing all prior Ordinances in conflict herewith; and providing for an effective date.

Nathan Anderson, Police Chief, stated this reduction of speed is at the request of TxDOT after they conducted their study. He noted the requirement is to allow residents to speak on the request.

The City Council directed the Police Chief to publish the request in the paper and bring it back for a public hearing.

Motion: Upon a motion made by Councilmember Brundrett and a second by Councilmember Anderson, to lay this agenda item on the table until the March 17, 2026, City Council Special Meeting. The City Council voted by roll call:

Mayor Pro Tern Hattman	aye
Councilmember Anderson	aye
Councilmember Brundrett	aye

The motion to approve passed unanimously; three (3) for and none (0) against.

VII. OTHER ACTION ITEMS AND UPDATES

VIII. CITY MANAGER'S UPDATE

6. City Manager's Monthly Update

Vanessa Shrauner, City Manager, reviewed the February City Manager Update. She highlighted the Sales Tax and HOT Tax are up, Public Safety Communications, Municipal Court, Public

Works, and upcoming meetings. She encouraged everyone to review the update on the city website under the City Manager's page.

IX. CITY COUNCIL REPORT

Councilmember Anderson stated that he will be working to set up his REEL Talk. He recently attended a Community meeting in district and Ward Two seems to be doing well.

Councilmember Brundrett reported on the following:

- Lamardi Gras Parade - he and Councilmember Anderson participated and once again had the best-looking golf cart.
- Rockport Citizen University – he got to participate in the Welcome the Class of 2026. He also noted that one of the participants in here tonight.
- Water – he, City Manager, Public Works Director and Assistant Director went to Alice last week to visit with them on their water project.

Mayor Pro Tem Hattman reported that Convention and Visitors Bureau recently held their meeting which the City Manager highlighted that the sales tax and the hot tax are up. She also noted that Rockport was named the City of the month by the Lodging Association.

She also wants to give kudos to Ryan Picarazzi, Public Works Director for handling the many issues that he received by email in the last couple of weeks.

X. EXECUTIVE SESSION

The City Council will recess its open meeting and reconvene in Executive Session pursuant to:

Note 3: Texas Government Code § 551.074, Personnel Matters

7. Discussion to deliberate the appointees' annual performance evaluation process and duties (City Manager, Municipal Judge, and City Secretary)[3].

The City Council did not go into Executive Session item

XI. BUSINESS ITEM

The City Council did not hold this item.

XII. ADJOURN

Motion: Upon a motion made by Councilmember Brundrett and a second by Councilmember Anderson adjourn the February 24, 2026, City Council Regular Meeting at 5:21 p.m.

Tim Jayroe
Mayor

Shelley Goodwin, TRMC/MMC
City Secretary

AGENDA MEMO

DEPARTMENT: Police
TO: Mayor and City Council
FROM: Nathan Anderson, Police Chief
MEETING DATE: March 17, 2026 **CATEGORY**: Resolution

CAPTION:
Consider the approval of Resolution 2026-09R authorizing the Rockport Police Department to apply for and operate a State Homeland Security Program - Regular Projects (SHSP-R) grant for fiscal year 2026; and authorizing the Mayor to act as the Executive Officer and authorized representative in all matters pertaining to the participation in the grant program.

SUMMARY:
This project will upgrade the City of Rockport's mobile radio system to a P25-compliant, encrypted, and interoperable multiband system. To be purchased are 27 handheld radios, 8 mobile radios, and the programming software and cables to maintain the radios.

BACKGROUND:
The Rockport Police Department has received previous grants to replace a small number of radios in years past, however, we still have a large number of radios that require to be replaced

FUNDING SOURCE:
This is a no-match grant. Federal funds are authorized under Section 2002 of the Homeland Security Act of 2002, as amended (Pub. L. No. 107-296), (6 U.S.C. 603). State Homeland Security Program (SHSP) funds are made available through a Congressional appropriation to the United States Department of Homeland Security (DHS). All awards are subject to the availability of appropriated federal funds and any modifications or additional requirements that may be imposed by law.

FUNDING IMPACT:
none

STAFF RECOMMENDATION:
Staff recommends approval of this grant application and operation.

STRATEGIC INITIATIVES:
The objective of the State Homeland Security Program – Regular Projects (SHSP-R) is to support state and local efforts to prevent terrorism and targeted violence and prepare for the

threats and hazards that pose the greatest risk to the security of Texas citizens. This grant supports projects that support community preparedness and resilience , including interoperable communications and enhancing current capabilities or addressing capability gaps. This project will upgrade the City of Rockport's mobile radio system to a P25-compliant, encrypted, and interoperable multiband system. To be purchased are 27 handheld radios, 8 mobile radios, and the programming software and cables to maintain the radios.Resolution

ATTACHMENTS:
1. fy2026 Resolution
2. State Homeland Security Program – Regular Projects (SHSP-R), Federal Fiscal Year 2026 _ eGrants
3. eGrants - Project Summary

APPROVAL/REVIEW:

______________________________	Date: February 27, 2026
Nathan Anderson, Police Chief	
______________________________	Date: March 10, 2026
Shelley Goodwin, City Secretary	
______________________________	Date: March 11, 2026
Vanessa Shrauner, City Manager	

RESOLUTION NO. 2026-09R

A RESOLUTION OF THE CITY OF ROCKPORT, TEXAS, AUTHORIZING THE ROCKPORT POLICE DEPARTMENT TO APPLY FOR AND OPERATE A STATE HOMELAND SECURITY PROGRAM – REGULAR PROJECTS (SHSP-R) GRANT FOR FISCAL YEAR 2026; AND AUTHORIZING THE MAYOR TO ACT AS THE EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE PARTICIPATION IN THIS GRANT PROGRAM.

WHEREAS, the objective of the State Homeland Security Program – Regular Projects (SHSP-R) is to support state and local efforts to prevent terrorism and targeted violence and prepare for the threats and hazards that pose the greatest risk to the security of Texas citizens; and

WHEREAS, the City of Rockport finds it is in the best interest of our citizens that the City of Rockport participate in the State Homeland Security Grant Program with the intent to support investments that improve the ability of jurisdictions to prevent a threatened or actual acts of terrorism, to protect its citizens, residents, visitors, and assets against the greatest threats and hazards, mitigate the loss of life and property by lessening the impact of future catastrophic events, to respond quickly to save lives, protect property and the environment, and meet basic human needs in the aftermath of a catastrophic incident, and/or recover through a focus on the timely restoration, strengthening, accessibility and revitalization of infrastructure, housing and a sustainable economy, as well as the health, social, cultural, historic, and environmental fabric of communities affected by a catastrophic incident; and

WHEREAS, the City of Rockport agrees that in the event of loss or misuse of the Office of the Governor funds, the City of Rockport assures that the funds will be returned to the Office of the Governor in full.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS:

SECTION 1. That a State Homeland Security Program – Regular Projects (SHSP-R) grant application is hereby authorized to be filed for funding consideration;

SECTION 2. That the City of Rockport designates the Mayor as the Chief Executive Officer and Authorized Representative in connection with this application and participation in the State Homeland Security Program – Regular Projects (SHSP-R) grant. The authorized official is given the power to apply for, accept, reject, alter or terminate the grant on behalf of the agency.

SECTION 3. That the City of Rockport designates the Director of Finance as the grantee's financial officer. The financial officer is given the power to submit financial and/or programmatic reports or alter a grant on behalf of the applicant agency.

PASSED AND APPROVED this the 17th day of March, 2026.

CITY OF ROCKPORT, TEXAS

____

Lowell T. Jayroe
Mayor

ATTEST:

____

Shelley Goodwin, TRMC, MMC
City Secretary

Name:

State Homeland Security Program – Regular Projects (SHSP-R), Federal Fiscal Year 2026

Available
02/17/2026

Due Date
03/16/2026

Purpose:

The purpose of this announcement is to solicit applications for projects that support state and local efforts to prevent terrorism and targeted violence and prepare for the threats and hazards that pose the greatest risk to the security of Texas citizens. The Office of the Governor (OOG), Public Safety Office (PSO) provides funding to implement investments that build, sustain, and deliver the 32 core capabilities essential to achieving a secure and resilient state.

This funding supports state, tribal and local preparedness activities that address high-priority preparedness gaps across all core capabilities where a nexus to terrorism exists. All investments must be consistent with capability targets set during the Threat and Hazard Identification and Risk Assessment (THIRA) process, and gaps identified in the Stakeholder Preparedness Review (SPR).

The State Homeland Security Program (SHSP) is intended to support investments that improve the ability of jurisdictions to:

- **Prevent** a threatened or actual act of terrorism;
- **Protect** its citizens, residents, visitors, and assets against the greatest threats and hazards;
- **Mitigate** the loss of life and property by lessening the impact of future catastrophic events;
- **Respond** quickly to save lives, protect property and the environment, and meet basic human needs in the aftermath of a catastrophic incident; and/or
- **Recover** through a focus on the timely restoration, strengthening, accessibility and revitalization of infrastructure, housing, and a sustainable economy, as well as the health, social, cultural, historic, and environmental fabric of communities affected by a catastrophic incident.

Many activities which support the achievement of target capabilities related to terrorism preparedness may simultaneously support enhanced preparedness for other hazards unrelated to acts of terrorism. However, **all SHSP projects must assist grantees in achieving target capabilities related to preventing, preparing for, protecting against, or responding to acts of terrorism.**

Note for Cybersecurity Applicants: Projects seeking to design and implement efforts to address imminent cybersecurity threats to local information systems should refer to the State and Local Cybersecurity Grant Program (SLCGP) Announcements available on the *Funding Opportunities* page in eGrants.

Available Funding:

Federal funds are authorized under Section 2002 of the Homeland Security Act of 2002, as amended (Pub. L. No. 107-296), (6 U.S.C. 603). State Homeland Security Program (SHSP) funds are made available through a Congressional appropriation to the United States Department of Homeland Security (DHS). All awards are subject to the availability of appropriated federal funds and any modifications or additional requirements that may be imposed by law.

Eligible Organizations:

1. State agencies;
2. Regional councils of governments;
3. Units of local government;
4. Nonprofit organizations;
5. Universities or Colleges; and
6. Federally recognized Native American tribes.

Application Process:

Applicants must access PSO's eGrants grant management website at https://eGrants.gov.texas.gov to register and apply for funding.

1. For eligible local and regional projects:
2. Applicants must contact their applicable regional council of governments (COG) regarding their application.
3. Each of Texas' 24 COGs holds its own application planning workshops, workgroups, and/or subcommittees and facilitates application prioritization for certain programs within its region. Failure to comply with regional requirements imposed by the COG may render an application ineligible.

State agencies, and other organizations proposing projects to increase preparedness statewide, may submit applications directly to PSO.

*****NEW APPLICATION SUBMISSION REQUIREMENT*****

The following documents must be submitted with the application for the application to be considered complete and eligible for funding. See the Eligibility Requirements and/or Program-Specific Requirements Sections of this Funding Announcement for more details on the requirements for each attachment/certification:

- **Resolution from Governing Body** - Applications from nonprofit corporations, local units of governments, and other political subdivisions must submit a fully executed resolution.
- **CEO/Law Enforcement Certifications and Assurances Form** - Each local unit of government, and institution of higher education that operates a law enforcement agency, must certify compliance with federal and state immigration enforcement requirements.
- **CEO/NGO Certification and Assurances Form** **–** Each non-profit organization must certify compliance with federal and state immigration enforcement requirements.

Failure to submit the fully executed required attachment(s) by the application deadline may result in the application being deemed ineligible.

Key Dates:

Action	Date
Funding Anouncemtent Release	02/17/2026
Online System Opening Date	02/17/2026
Final Date to Submit and Certify an Application	03/16/2026 at 5:00PM CST
Earliest Project Start Date	09/01/2026

Project Period:

Projects selected for funding must begin between September 1, 2026 and March 1, 2027, and expire on or before August 31, 2028. Additional guidelines are below:

1. Project periods should be structured so that projects that include grant-funded salaries and/or annual recurring costs do not overlap with the project periods of previous or future grant awards with the same costs.
2. Project periods should be structured so that projects that include grant-funded salaries and/or annual recurring costs are on a 12 **or** 24-month grant cycle/performance period.
3. Project periods for equipment only projects are generally awarded for a 6 to 12-month grant period.
4. PSO will consider proposed start or end dates falling outside of these guidelines on a case-by-case basis.

Funding Levels

Minimum: $10,000

Maximum: None. However, PSO uses a risk-based formula to determine regional allocations. Local agencies should contact their regional COG for amounts historically available to the region and any maximum established by their COG. Additionally, PSO expects to make available approximately $1.5 - $2 million to state agencies in support of 10 – 15 projects under this solicitation and the SHSP-LETPA solicitation.

Match Requirement: None

Standards

Grantees must comply with standards applicable to this fund source cited in the Texas Grant Management Standards (TxGMS), Federal Uniform Grant Guidance, and all statutes, requirements, and guidelines applicable to this funding.

Eligible Activities and Costs

1. The Federal Emergency Management Agency (FEMA) has established National Priority Areas (NPA) for the Homeland Security Grant Program and requires the State to dedicate at least 30% of Texas' SHSP funds to projects under the NPAs. The NPAs and prescribed amounts for each NPA are noted below. Applicants are encouraged to submit projects under these National Priority Areas when the primary core capability addressed is consistent with a National Priority Area description below. Note: The National Priority Areas are subject to change without notice upon release of the federal Notice of Funding Opportunity (NOFO).

2. Grant projects must be submitted in support of one of the following approved activity areas:

a. Community Preparedness and Resilience

- **Core Capabilities:** Planning; Public Information and Warning; Community Resilience; Mass Care Services; Risk and Disaster Resilience Assessment; Long Term Vulnerability Reduction.
    - Projects supporting training and equipping regional and local Citizen Corps Programs (CCP) including Community Emergency Response Teams (CERT).
    - Provide continuity training, such as FEMA's Organizations Preparing for Emergency Needs training to faith-based organizations, local businesses, and community-based organizations including homeless shelters, food pantries, nonprofit medical providers, and senior care facilities to bolster their resilience to all hazards.
    - Community Mapping: identify community resources and characteristics in order to identify gaps in resources, identify hazards and vulnerabilities, and inform action to promote resilience.

b. Emergency Operations Centers and Technology

- Establishing and maintaining a unified and coordinated operational structure and process that integrates critical stakeholders across and among all levels of government and with critical private and nonprofit sectors to protect against potential threats, conduct law enforcement investigations, or engage in enforcement, protective, and response activities.
- Implementing WebEOC and other situational awareness and decision support tools.
- Enhancing emergency operations centers.
- Conducting or participating in incident management training and/or exercises.

c. Interoperable Emergency Communications

- Building capabilities to meet P-25 standards.
- Sustaining existing capabilities (e.g. life cycle replacement of equipment).
- Projects must enhance current capabilities or address capability gaps identified by the Texas Department of Public Safety (DPS) or Texas Interoperable Communications Coalition (TxICC) in either the Texas Statewide Communications Interoperability Plan (SCIP) or DPS Report on Interoperable Communications to the Texas Legislature. ***Note:*** *Projects to increase voice communications interoperability for counties with the lowest interoperability levels are preferred over other types of communications projects.*
- If a project is funded (after an agency receives the grant award from the PSO), the planned expenditures must be submitted to and receive validation from the Statewide Interoperability Coordinator (SWIC) prior to purchase. ***Note:*** *Radios purchased must: a) follow the Statewide Radio ID Management Plan; b) be programmed following the Statewide Interoperability Channel Plan, and c) include encryption options capable of Advanced Encryption Standard (AES) encryption, IF encryption is being purchased.*

d. Planning

- Developing state and regional risk and preparedness assessments, including those related to special events.
- Core capability development planning, to include typing and tracking of equipment and special response teams.
- Planning and execution of training and exercises focused on terrorism prevention, protection and response.
- Multi-jurisdictional operational planning to include plans for regional operational coordination of terrorism prevention, protection, and response capabilities.
- Maintaining or updating Emergency Operations Plans, consistent with guidance in CPG 101.v2 and the whole community approach to security and emergency management.
- Planning and implementation of initiatives to enhance the Citizen Corps Program and other community resilience initiatives.
- Planning for continuity of operations.

e. Protection of Soft Targets/Crowded Places (NPA)

- **Core Capabilities:** Operational Coordination; Public Information and Warning; Intelligence and Information Sharing; Interdiction and Disruption; Screening, Search, and Detection; Access Control/Identity Verification; Physical Protective Measures; Risk Management for Protection Programs
    - Implementing target hardening and other measures associated with increased security to mitigate risks at places where people gather, such as schools, workplaces, entertainment venues, transportation nodes, and houses of worship.
    - Assessing critical infrastructure vulnerabilities and interdependencies, particularly those involving multiple sites and/or sectors.
    - Planning, training, exercises, equipment, and modeling enabling responsible jurisdictions to mitigate threats to and vulnerabilities of critical infrastructure facilities, assets, networks, and systems.
    - Analyzing critical infrastructure threats and information sharing with private sector partners.
    - Enhancing public awareness, education and communications, and increasing reporting of suspicious activities related to critical infrastructure.

f. Support of First Responder Capabilities - *Note: Because there is the potential for significant overlap between this activity area and the FEMA National Priorities, applicants should first check whether their proposed project is consistent with the description and core capabilities outlined for the National Priority Areas.*

- Sustaining and enhancing capacity to detect and resolve threats involving chemical, biological, radiological, nuclear and explosive (CBRNE) devices or weapons of mass destruction (WMD).
- Sustaining and enhancing tactical teams including HAZMAT response and decontamination, Urban Search and Rescue, and SWAT.
- Sustaining equipment needs, including personal protective equipment, WMD pharmaceuticals, calibration and maintenance for WMD-related detection and identification systems, and closely related investments to update or sustain current equipment.
- Sustaining and enhancing efforts to delay, divert, intercept, halt, apprehend, or secure threats or hazards (includes capabilities related to Border Security).
- Coordinating regional training exercises with federal, state and local law enforcement participation focused on responding to terrorism-related events and increasing participation with community and business organizations.
- Identifying or locating terrorists through active and passive surveillance and search procedures including systematic examinations and assessments, bio-surveillance, sensor technologies, or physical investigation and intelligence.

g. Supporting Homeland Security Task Forces and Fusion Centers (NPA)

- **Core Capabilities:** Intelligence and Information Sharing, Interdiction and Disruption, Public information and Warning, Operational Coordination, Risk Management for Protection Programs and Activities
  - Establishing or enhancing multi-agency Homeland Security Task Forces (HSTFs), including operational coordination centers
  - Enhancing capabilities and integration with local fusion centers
  - Procurement of technology or equipment to support surveillance, communications, and data analysis
  - Development of standard operating procedures for information sharing, joint operations, and immigration enforcement coordination
  - Personnel training, credentialing, and certification to improve interoperability and mission alignment
  - Intelligence analysis, reporting, and suspicious activity monitoring
  - Exercises and simulations focused on joint operations, intelligence sharing, or interdiction/disruption of criminal or smuggling networks
  - Community engagement efforts to foster trust and encourage threat reporting
  - Information sharing with all DHS components; fusion centers; other operational, investigative, and analytic entities; and other federal law enforcement and intelligence entities
  - Cooperation with DHS and other entities in intelligence, threat recognition, assessment, analysis, and mitigation
  - Identification, assessment, and reporting of threats of violence
  - Intelligence analysis training, planning, and exercises
  - Coordinating the intake, triage, analysis, and reporting of tips/ leads and suspicious activity, to include coordination with the Nationwide Suspicious Activity Reporting (SAR) Initiative (NSI).

Program-Specific Requirements

1. All capabilities being built or sustained must have a clear link to one or more of the following Core Capabilities in the National Preparedness Goal: **Planning; Public Information and Warning; Operational Coordination; Intelligence and Information Sharing; Interdiction and Disruption; Screening, Search and Detection; and Forensics and Attribution.**
2. Many capabilities which support terrorism preparedness simultaneously support preparedness for other hazards. Grantees must demonstrate this dual-use quality for any activities implemented under this program that are not explicitly focused on terrorism preparedness. Law Enforcement Terrorism Prevention Activities implemented under SHSP must support terrorism preparedness by building or sustaining capabilities that relate to the prevention of terrorism.
3. Grantees are required to maintain adoption and implementation of the National Incident Management System (NIMS). The NIMS uses a systematic approach to integrate the best

existing processes and methods into a unified national framework for incident management across all homeland security activities including prevention, protection, response, mitigation, and recovery. Grantees must use standardized resource management concepts for resource typing, credentialing, and an inventory to facilitate the effective identification, dispatch, deployment, tracking and recovery of resources.

4. Cities and counties must have a current emergency management plan or be a legally established member of an inter-jurisdictional emergency management program with a plan on file with the Texas Division of Emergency Management (TDEM). Plans must be maintained throughout the entire grant performance period. If you have questions concerning your Emergency Management Plan (preparedness) level, contact your Emergency Management Coordinator (EMC) or your regional Council of Governments (COG). For questions concerning plan deficiencies, contact TDEM at tdem.plans@tdem.texas.gov.

Eligibility Requirements

1. Applications from nonprofit corporations, local units of governments, and other political subdivisions must submit a fully executed resolution with the application to be considered eligible for funding. The resolution must contain the following elements (see Sample Resolution):

- Authorization by your governing body for the submission of the application to the Public Safety Office (PSO) that clearly identifies the name of the project for which funding is requested;
- A commitment to provide all applicable matching funds;
- A designation of the name and/or title of an authorized official who is given the authority to apply for, accept, reject, alter, or terminate a grant;
- A designation of the name and/or title of a financial officer who is given the authority to submit financial and/or performance reports or alter a grant; and
- A written assurance that, in the event of loss or misuse of grant funds, the governing body will return all funds to PSO

2. Local units of governments must comply with the Cybersecurity Training requirements described in Section 772.012 and Section 2054.5191 of the Texas Government Code. Local governments determined to not be in compliance with the cybersecurity requirements required by Section 2054.5191 of the Texas Government Code are ineligible for OOG grant funds until the second anniversary of the date the local government is determined ineligible. Government entities must annually certify their compliance with the training requirements using the Cybersecurity Training Certification for State and Local Governments. A copy of the Training Certification must be uploaded to your eGrants application. For more information or to access available training programs, visit the Texas Department of Information Resources Statewide Cybersecurity Awareness Training page.

3. Entities receiving funds from PSO must be located in a county that has an average of 90% or above on both adult and juvenile dispositions entered into the computerized criminal history

database maintained by the Texas Department of Public Safety (DPS) as directed in the Texas Code of Criminal Procedure, Chapter 66. The disposition completeness percentage is defined as the percentage of arrest charges a county reports to DPS for which a disposition has been subsequently reported and entered into the computerized criminal history system.

Counties applying for grant awards from the Office of the Governor must commit that the county will report at least 90% of convictions within five business days to the Criminal Justice Information System at the Department of Public Safety.

4. Eligible applicants operating a law enforcement agency must be current on reporting complete UCR data and the Texas specific reporting mandated by 411.042 TGC, to the Texas Department of Public Safety (DPS) for inclusion in the annual Crime in Texas (CIT) publication. To be considered eligible for funding, applicants must have submitted a full twelve months of accurate data to DPS for the most recent calendar year by the deadline(s) established by DPS. Due to the importance of timely reporting, applicants are required to submit complete and accurate UCR data, as well as the Texas-mandated reporting, on a no less than monthly basis and respond promptly to requests from DPS related to the data submitted.

5. In accordance with Texas Government Code, Section 420.034, any facility or entity that collects evidence for sexual assault or other sex offenses or investigates or prosecutes a sexual assault or other sex offense for which evidence has been collected, must participate in the statewide electronic tracking system developed and implemented by the Texas Department of Public Safety. Visit DPS’s Sexual Assault Evidence Tracking Program website for more information or to set up an account to begin participating. Additionally, per Section 420.042 "A law enforcement agency that receives evidence of a sexual assault or other sex offense...shall submit that evidence to a public accredited crime laboratory for analysis no later than the 30th day after the date on which that evidence was received." A law enforcement agency in possession of a significant number of Sexual Assault Evidence Kits (SAEK) where the 30-day window has passed may be considered noncompliant.

6. Local units of government, including cities, counties and other general purpose political subdivisions, as appropriate, and institutions of higher education that operate a law enforcement agency, must comply with all aspects of the programs and procedures utilized by the U.S. Department of Homeland Security (“DHS”) to: (1) notify DHS of all information requested by DHS related to illegal aliens in Agency’s custody; and (2) detain such illegal aliens in accordance with requests by DHS. Additionally, counties and municipalities may NOT have in effect, purport to have in effect, or make themselves subject to or bound by, any law, rule, policy, or practice (written or unwritten) that would: (1) require or authorize the public disclosure of federal law enforcement information in order to conceal, harbor, or shield from detection fugitives from justice or aliens illegally in the United States, 8 U.S.C. § 1324(a)(1)(A)(iii); (2) impede federal officers from exercising authority under 8 U.S.C. § 1226(a), § 1226(c), § 1231(a), § 1357(a), § 1366(1), or § 1366(3); (3) encourage or induce an alien to come to, enter, or reside in the United States in

violation of law, 8 U.S.C. § 1324(a)(1)(A)(iv); (4) result in the illegal transport or movement of aliens within the United States, 8 U.S.C. § 1324(a)(1)(A)(ii) . Lastly, eligible applicants must comply with all provisions, policies, and penalties found in Chapter 752, Subchapter C of the Texas Government Code.

Each local unit of government, and institution of higher education that operates a law enforcement agency, must download, complete and then upload into eGrants the CEO/Law Enforcement Certifications and Assurances Form certifying compliance with federal and state immigration enforcement requirements. This Form is required for each application submitted to OOG and is active until August 31, 2027 or the end of the grant period, whichever is later.

7. Each non-profit 501(c)(3) organization must certify that it does not have, and will continue not to have any policy, procedure, or agreement (written or unwritten) that in any way encourages, induces, entices, or aids any violations of immigration laws. Additionally, the organization certifies that it does not have in effect, purport to have in effect, and is not subject to or bound by any rule, policy, or practice (written or unwritten) that would: (1) encourage the concealment, harboring, or shielding from detection of fugitives from justice or aliens who illegally came to, entered, or remained in the United States, 8 U.S.C. § 1324(a)(1)(A)(iii), or (2) impede federal officers from exercising authority under 8 U.S.C. § 1226(a), § 1226(c), § 1231(a), § 1357(a), § 1366(1), or § 1366(3); (3) encourage or induce an alien to come to, enter, or reside in the United States in violation of law, 8 U.S.C. § 1324(a)(1)(A)(iv); (4) result in the illegal transport or movement of aliens within the United States, 8 U.S.C. § 1324(a)(1)(A)(ii). Lastly, the organization certifies that it will not adopt, enforce, or endorse a policy which prohibits or materially limits the enforcement of immigration laws, and will not, as demonstrated by pattern or practice, prohibit or materially limit the enforcement of immigration laws.

Each non-profit organization must download, complete and then upload into eGrants the CEO/NGO Certifications and Assurances Form Certifying compliance with federal and state immigration enforcement requirements.

8. Eligible applicants must be registered in the federal System for Award Management (SAM) database and have an UEI (Unique Entity ID) number assigned to its agency (to get registered in the SAM database and request an UEI number, go to https://sam.gov/).

Failure to comply with program eligibility requirements may cause funds to be withheld and/or suspension or termination of grant funds.

Prohibitions

Grant funds may not be used to support the unallowable costs listed in the **Guide to Grants** or any of the following unallowable costs:

1. inherently religious activities such as prayer, worship, religious instruction, or proselytization;
2. lobbying;

3. any portion of the salary of, or any other compensation for, an elected or appointed government official;
4. vehicles or equipment for government agencies that are for general agency use and/or do not have a clear nexus to terrorism prevention, interdiction, and disruption (i.e. mobile data terminals, body cameras, in-car video systems, or radar units, etc. for officers assigned to routine patrol; general firefighting equipment or uniforms);
5. weapons, ammunition, tasers, weaponized vehicles or explosives (exceptions may be granted when explosives are used for bomb squad training);
6. weapons accessories to include but not limited to optics/sights, laser aiming devices, ammunition pouches, slings, firearm silencers, bayonets, rifle bags or other accessories designed for use with any firearms/weapon;
7. admission fees or tickets to any amusement park, recreational activity or sporting event;
8. promotional items or gifts;
9. food, meals, beverages, or other refreshments, except for eligible per diem associated with grant-related travel or where pre-approved for working events;
10. membership dues for individuals;
11. any expense or service that is readily available at no cost to the grant project;
12. any use of grant funds to replace (supplant) funds that have been budgeted for the same purpose through non-grant sources;
13. fundraising;
14. legal services for adult offenders;
15. amateur radios and equipment, FMS radios, GMRS radios, Mobile ad hoc networks (MANETs), or other radio equipment that is not P25 compliant;
16. riot equipment including but not limited to shields, batons, less-lethal ammunition, and grenades designed or intended for dispersing crowds; and
17. any other prohibition imposed by federal, state, or local law.

Selection Process

Application Screening: PSO will screen all applications to ensure that they meet the requirements included in the funding announcement.

1. For eligible local and regional projects:

- Each COG's homeland security advisory committee will prioritize all eligible applications using the region's risk-informed methodology.
- PSO will accept priority listings that are approved by the COG's executive committee.
- PSO will make all final funding decisions based on eligibility, FEMA National Priorities, COG priorities, reasonableness, availability of funding, and cost-effectiveness.

2. For statewide discretionary projects, applications will be reviewed by PSO staff members or a review group selected by the executive director. PSO will make all final funding decisions based

on eligibility, reasonableness, availability of funding, and cost-effectiveness.

3. The State must designate at least 30% of available SHSP funding to projects supporting the FEMA NPAs listed above as outlined in the FY 2025 HSGP guidance. PSO encourages the COG regions to solicit projects to support each of the NPAs listed in this solicitation.

PSO may not fund all applications or may only award part of the amount requested. In the event that funding requests exceed available funds, PSO may revise projects to address a more limited focus.

Contact Information

For more information, contact the eGrants help desk at eGrants@gov.texas.gov or (512) 463-1919.

Total Funds

$TBD

Print This Page

Agency Name: City of Rockport
Grant/App: 5915201 **Start Date:** 10/1/2026 **End Date:** 9/30/2027

Project Title: Radio Enhancement 2026
Status: Application Pending Submission

Eligibility Information

Your organization's Texas Payee/Taxpayer ID Number:
746002000

Application Eligibility Certify:
Created on:2/26/2026 9:37:09 AM By:Meredith Yarnall

Profile Information

Applicant Agency Name: City of Rockport
Project Title: Radio Enhancement 2026
Division or Unit to Administer the Project: Rockport Police Department
Address Line 1: 714 E Concho Street
Address Line 2:
City/State/Zip: Rockport Texas 78382-4116
Start Date: 10/1/2026
End Date: 9/30/2027

Regional Council of Goverments(COG) within the Project's Impact Area: Coastal Bend Council of Governments
Headquarter County: Aransas
Counties within Project's Impact Area: Aransas

Grant Officials:
Authorized Official
Name: Tim Jayroe
Email: mayor@cityofrockport.com
Address 1: 714 East Concho Street
Address 1:
City: Rockport , Texas 78382
Phone: 361-729-2213 Other Phone: 361-729-1111
Fax: 361-729-3461
Title: Mr.
Salutation: Mayor
Position: Mayor

Financial Official
Name: Robbie Sorrell
Email: rsorrell@rockporttx.gov
Address 1: 2751 SH 35 Bypass
Address 1:
City: Rockport, Texas 78382
Phone: 361-729-2213 Other Phone: 512-554-6953
Fax: 361-729-5966
Title: Mr.
Salutation: Mr.
Position: Finance Director

Project Director
Name: Nathan Anderson
Email: nanderson@cityofrockport.com
Address 1: 714 E Concho St
Address 1:

City: Rockport, Texas 78374
Phone: 361-790-1100 Other Phone: 806-239-4022
Fax: 361-729-3461
Title: Mr.
Salutation: Chief
Position: Chief of Police

Grant Writer
Name: Meredith Yarnall
Email: nyarnall@cityofrockport.com
Address 1: 714 E Concho
Address 1:
City: Rockport, Texas 78382
Phone: 361-790-1101 Other Phone:
Fax: 361-729-3461
Title: Ms.
Salutation: Ms.
Position: Adminstrative Assistant

Grant Vendor Information

Organization Type: Unit of Local Government (City, Town, or Village)
Organization Option: applying to provide homeland security services
Applicant Agency's State Payee Identification Number (e.g., Federal Employer's Identification (FEI) Number or Vendor ID): 746002000
Unique Entity Identifier (UEI): D33QE53A2V54

Narrative Information

Overview

The purpose of the Homeland Security Grant Program (HSGP) is to support state and local efforts to prevent terrorism and other catastrophic events and to prepare the Nation for the threats and hazards that pose the greatest risk to the security of the United States. HSGP provides funding to implement investments that build, sustain, and deliver the 32 core capabilities essential to achieving the National Preparedness Goal (the Goal) of a secure and resilient Nation. The building, sustainment, and delivery of these core capabilities are not exclusive to any single level of government, organization, or community, but rather, require the combined effort of the whole community. HSGP supports core capabilities across the five mission areas of Prevention, Protection, Mitigation, Response, and Recovery based on allowable costs.

Primary Mission and Purpose

State Homeland Security Program (SHSP): Supports state, Tribal and local preparedness activities that address high-priority preparedness gaps across all core capabilities where a nexus to terrorism exists. All investments must be consistent with capability targets set during the Threat and Hazard Identification and Risk Assessment (THIRA) process, and gaps identified in the State Preparedness Report (SPR).

Many activities which support the achievement of target capabilities related to terrorism preparedness may simultaneously support enhanced preparedness for other hazards unrelated to acts of terrorism. However, **all SHSP projects must assist grantees in achieving target capabilities related to preventing, preparing for, protecting against, or responding to acts of terrorism.**

Eligibility Requirements

Cybersecurity Training Requirement
Local units of governments must comply with the Cybersecurity Training requirements described in Section 772.012 and Section 2054.5191 of the Texas Government Code. Local governments determined to not be in compliance with the cybersecurity requirements required by Section 2054.5191 of the Texas Government Code are ineligible for OOG grant funds until the second anniversary of the date the local government is determined ineligible. Government entities must annually certify their compliance with the training requirements using the Cybersecurity Training Certification for State and Local Government. A copy of the Training Certification must be uploaded to your eGrants application. For more information or to access available training programs, visit the Texas Department of Information Resources Statewide Cybersecurity Awareness Training page.

Resolution from Governing Body
Applications from nonprofit corporations, local units of governments, and other political subdivisions must submit a fully executed resolution with the application to be considered eligible for funding. The resolution must contain the following elements (see Sample Resolution):

- **Authorization by your governing body for the submission of the application to the Public Safety Office (PSO) that clearly identifies the name of the project for which funding is requested;**
- **A commitment to provide all applicable matching funds;**
- **A designation of the name and/or title of an authorized official who is given the authority to apply for, accept, reject, alter, or terminate a grant;**
- **A designation of the name and/or title of a financial officer who is given the authority to submit financial and/or performance reports or alter a grant; and**
- **A written assurance that, in the event of loss or misuse of grant funds, the governing body will return all funds to PSO.**

Criminal History Reporting
Entities receiving funds from PSO must be located in a county that has an average of 90% or above on both adult and juvenile dispositions entered into the computerized criminal history database maintained by the Texas Department of Public Safety (DPS) as directed in the *Texas Code of Criminal Procedure, Chapter 66*. The disposition completeness percentage is defined as the percentage of arrest charges a county reports to DPS for which a disposition has been subsequently reported and entered into the computerized criminal history system.

Counties applying for grant awards from the Office of the Governor must commit that the county will report at least 90% of convictions within five business days to the Criminal Justice Information System at the Department of Public Safety.

Uniform Crime Reporting (UCR)
Eligible applicants operating a law enforcement agency must be current on reporting complete UCR data and the Texas specific reporting mandated by 411.042 TGC, to the Texas Department of Public Safety (DPS) for inclusion in the annual Crime in Texas (CIT) publication. To be considered eligible for funding, applicants must have submitted a full twelve months of accurate data to DPS for the most recent calendar year by the deadline(s) established by DPS. Due to the importance of timely reporting, applicants are required to submit complete and accurate UCR data, as well as the Texas-mandated reporting, on a no less than monthly basis and respond promptly to requests from DPS related to the data submitted.

Entities That Collect Sexual Assault/Sex Offense Evidence or Investigate/Prosecute Sexual Assault or Other Sex Offenses
In accordance with Texas Government Code, Section 420.034, any facility or entity that collects evidence for sexual assault or other sex offenses or investigates or prosecutes a sexual assault or other sex offense for which evidence has been collected, must participate in the statewide electronic tracking system developed and implemented by the Texas Department of Public Safety. Visit DPS's Sexual Assault Evidence Tracking Program website for more information or to set up an account to begin participating. Additionally, per Section 420.042 "A law enforcement agency that receives evidence of a sexual assault or other sex offense...shall submit that evidence to a public accredited crime laboratory for analysis no later than the 30th day after the date on which that evidence was received." A law enforcement agency in possession of a significant number of Sexual Assault Evidence Kits (SAEK) where the 30-day window has passed may be considered noncompliant.

National Incident Management System (NIMS) Implementation
Grantees are required to implement NIMS. The NIMS uses a systematic approach to integrate the best existing processes and methods into a unified national framework for incident management across all homeland security activities including prevention, protection, response, mitigation, and recovery. Grantees must use standardized resource management concepts for resource typing, credentialing, and an inventory to facilitate the effective identification, dispatch, deployment, tracking and recovery of resources.

Emergency Management Plans (Intermediate Level)
Cities and counties must have a current emergency management plan or be a legally established member of an inter-jurisdictional emergency management program with a plan on file with the Texas Division of Emergency Management (TDEM). Plans must be maintained throughout the entire grant performance period. If you have questions concerning your Emergency Management Plan (preparedness) level, contact your Emergency Management Coordinator (EMC) or your regional Council of Governments (COG). For questions concerning plan deficiencies, contact TDEM at tdem.plans@tdem.texas.gov.

Program Income
Applicant agrees to comply with all federal and state rules and regulations for program income and agrees to report all program income that is generated as a result of the project's activities. Applicant agrees to report program income through a formal grant adjustment and to secure PSO approval prior to use of the program income. Applicant agrees to use program income for allowable costs and agrees to expend program income immediately after PSO's approval of a grant adjustment and prior to requesting reimbursement of funds.

> **Deduction Method - Program income shall be deducted from total allowable costs to determine the net allowable costs. Program income shall be used for current costs unless PSO authorizes otherwise. Program income which the grantee did not anticipate at the time of the award shall be used to reduce the PSO award and grantee match rather than to increase the funds committed to the project.**
>
> **Asset Seizures and Forfeitures - Program income from asset seizures and forfeitures is considered earned when the property has been adjudicated to the benefit of the plaintiff (e.g., law enforcement entity).**

Compliance with State and Federal Laws, Programs and Procedures – Local Units of Government
Local units of government, including cities, counties and other general purpose political subdivisions, as appropriate, and institutions of higher education that operate a law enforcement agency, must comply with all aspects of the programs and procedures utilized by the U.S. Department of Homeland Security ("DHS") to: (1) notify DHS of all information requested by DHS related to illegal aliens in Agency's custody; and (2) detain such illegal aliens in accordance with requests by DHS. Additionally, counties and municipalities may NOT have in effect, purport to have in effect, or make themselves subject to or bound by, any law, rule, policy, or practice (written or unwritten) that would: (1) require or authorize the public disclosure of federal law enforcement information in order to conceal, harbor, or shield from detection fugitives from justice or aliens illegally in the United States, 8 U.S.C. § 1324(a)(1)(A)(iii); (2) impede federal officers from exercising authority under 8 U.S.C. § 1226(a), § 1226(c), § 1231(a), § 1357(a), § 1366(1), or § 1366(3); (3) encourage or induce an alien to come to, enter, or reside in the United States in violation of law, 8 U.S.C. § 1324(a)(1)(A)(iv); (4) result in the illegal transport or movement of aliens within the United States, 8 U.S.C. § 1324(a)(1)(A)(ii). Lastly, eligible applicants must comply with all provisions, policies, and penalties found in Chapter 752, Subchapter C of the Texas Government Code.

Each local unit of government, and institution of higher education that operates a law enforcement agency, must download, complete and then upload into eGrants the CEO/Law Enforcement Certifications and Assurances Form certifying compliance with federal and state immigration enforcement requirements. This Form is required for each application submitted to PSO and is active until August 31, 2027 2027 or the end of the grant period, whichever is later.

Compliance with State and Federal Laws, Programs and Procedures – Nonprofit Organizations
Each non-profit 501(c)(3) organization must certify that it does not have, and will continue not to have any policy, procedure, or agreement (written or unwritten) that in any way encourages, induces, entices, or aids any violations of immigration laws. Additionally, the organization certifies that it does not have in effect, purport to have in effect, and is not subject to or bound by any rule, policy, or practice (written or unwritten) that would: (1) encourage the concealment, harboring, or shielding from detection of fugitives from justice or aliens who illegally came to, entered, or remained in the United States, 8 U.S.C. § 1324(a)(1)(A)(iii); (2) impede federal officers from exercising authority under 8 U.S.C. § 1226(a), § 1226(c), § 1231(a), § 1357(a), § 1366(1), or § 1366(3); (3) encourage or induce an alien to come to, enter, or reside in the United States in violation of law, 8 U.S.C. § 1324(a)(1)(A)(iv); (4) result in the illegal transport or movement of aliens within the United States, 8 U.S.C. § 1324(a)(1)(A)(ii). Lastly, the organization certifies that it will not adopt, enforce, or endorse a policy which prohibits or materially limits the enforcement of immigration laws, and will not, as demonstrated by pattern or practice, prohibit or materially limit the enforcement of immigration laws.

Each non-profit organization must download, complete and then upload into eGrants the CEO/NGO Certifications and Assurances Form certifying compliance with federal and state immigration enforcement requirements.

Program Requirements

Building and Sustaining Core Capabilities

1. **All capabilities being built or sustained must have a clear link to one or more Core Capabilities in the National Preparedness Goal.**
2. **Many capabilities which support terrorism preparedness simultaneously support preparedness for other hazards. Grantees must demonstrate this dual-use quality for any activities implemented under this program that are not explicitly focused on terrorism preparedness. Activities implemented under SHSP must support terrorism preparedness by building or sustaining capabilities that relate to the prevention of, protection from, mitigation of, response to, and recovery from terrorism.**
3. **Funding should be used to sustain core capabilities. New capabilities should not be built at the expense of maintaining current and critically needed core capabilities. New capabilities must be aligned with capability targets and gaps identified through the THIRA/SPR process.**

Mission Areas

The National Preparedness Goal organizes the core capabilities into the five mission areas:

- **Prevention. Prevent, avoid or stop an imminent, threatened or actual act of terrorism.**
- **Protection. Protect our citizens, residents, visitors, and assets against the greatest threats and hazards in a manner that allows our interests, aspirations, and way of life to thrive.**
- **Mitigation. Reduce the loss of life and property by lessening the impact of future disasters.**
- **Response. Respond quickly to save lives, protect property and the environment, and meet basic human needs in the aftermath of a catastrophic incident.**
- **Recovery. Recover through a focus on the timely restoration, strengthening and revitalization of infrastructure, housing and a sustainable economy, as well as the health, social, cultural, historic and environmental fabric of communities affected by a catastrophic incident.**

Overall Certification

Each applicant agency must certify to the specific requirements detailed above as well as to comply with all requirements within the PSO Funding Announcement, the *Guide to Grants*, the *Grantee Conditions and Responsibilities*, any authorizing or applicable state and federal statutes and regulations to be eligible for this program.

X I certify to all of the application content and requirements.

Project Summary :

Briefly summarize the project, including proposed activities and intended impact.

This project will upgrade the City of Rockport's mobile radio system to a P25 compliant, encrypted, and interoperable multiband system. To be purchased are 27 handheld radio, 8 mobile radio, and the programming software and cables to maintain the radios.

Problem Statement :

Provide a detailed account of the issues, threats or hazards that your project will target. For federal Homeland Security Grants, include specific references to the regional or state *Threat and Hazard Identification and Risk Assessment (THIRA)*, as applicable.

The City of Rockport is home to an airport, several boat harbors, and 6 school campuses. These facilities are potential targets for terror related attacks as outlined in the THIRA(pg. 42). The potential threats will require the Rockport Police Department to communicate with other neighboring agencies in order to better protect our points of entry in order to target any terroristic attacks.

Existing Capability Levels :

Describe the existing capability levels, including resources that are currently in place to support this project prior to the use of grant funds.

Current existing handhelds and a portion of the mobile fleet lack the multiband capabilities, lack encryption features and are nearing the end of their serviceable life.

Capability Gaps:

Describe the capability gaps which will be addressed by the project. For federal Homeland Security Grants, include specific references to the regional or statewide State Preparedness Report (SPR).

The capability gap addresses by this project is equipment for special and synchronized operations under the Operational Communication Core Capability on pages 64-66 of the Coastal Bend Council of Governments SPR and THIRA page 33. Equipment was rated a 3 through the regional planning committee's internal capability rating. Specifically, the SPR states an equipment gap, "Continue to refine communications systems in the regions...Legacy EDACS communication backbone has reached its end of life. Replacement is necessary."

Impact Statement :
Describe the project goals/objectives and how this project will maintain capabilities or reduce capability gaps.
The proposed project will reduce capability gaps by increasing officer safety , increasing interoperable communications and improving responses to critical incidents, and complex coordinated terrorist attacks.

Homeland Security Priority Actions:
Identify the Texas Homeland Security Priority Action most closely aligned with this project. Each Priority Action is linked with an *Objective from the Texas Homeland Security Strategic Plan (HSSP)*. List the Priority Action by number and text (e.g. *1.2.3 Expand and enhance the network of human sources that can provide detailed and relevant information on known or suspected terrorist and criminal enterprises*.)
4.3.3 Ensure radio systems, owners and users are in compliance with Statewide Communications Interoperability

Target Group :
Identify the target group and population expected to benefit from this project.
All 27 sworn members of the department will be the direct beneficiaries for this project. The entire region and our local community will be the indirect beneficiaries by increasing the interoperability communications.

Long-Term Approach:
Describe how the applicant agency will maintain the capabilities supported by this project without additional federal or state funds. If sustainment is dependent upon federal or state grants, describe the ongoing need for future grants, as applicable.
The City of Rockport will maintain the capabilities developed by this project and will keep up with the maintenance and training. If further changes in technology or federal requirements occur, or local funding is not available, the City of Rockport may seek further grant funding in the future.

Project Activities Information

HSGP Instructions for Project Activity Selection

Homeland Security Grant Program (HSGP) applicants should only select one project activity. The eGrants system will allow multiple selections, but each HSGP subrecipient project must fit into one and only one of the Investment Categories that are listed as project activities under the "Activity List".
Selected Project Activities:

ACTIVITY	PERCENTAGE:	DESCRIPTION
Interoperable Emergency Communications	100.00	This project will upgrade the City of Rockport's mobile radio system to a P25 compliant, encrypted, and interoperable multiband system. To be purchased are 27 handheld radio, 8 mobile radio, and the programming software and cables to maintain the radios.

Measures Information

Objective Output Measures

OUTPUT MEASURE	TARGET LEVEL
Number of exercises conducted.	0
Number of individuals participating in exercises.	0
Number of interoperable communications devices procured or upgraded.	35
Number of interoperable communications systems created, maintained or enhanced.	1
Number of people trained.	27
Number of trainings conducted.	3

Objective Outcome Measures

OUTCOME MEASURE	TARGET LEVEL
Number of agencies served by the interoperable communication system.	1
Percent (%) of response agency's first responders with equipment meeting P25 standards.	100
Percent (%) of response agency's radios programmed in compliance with the Texas Statewide Communications Interoperability Plan (TSCIP).	100

Custom Output Measures

CUSTOM OUTPUT MEASURE	TARGET LEVEL

Custom Outcome Measures

CUSTOM OUTCOME MEASURE	TARGET LEVEL

Lobbying

For applicant agencies requesting grant funds in excess of $100,000, have any federally appropriated funds been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant loan, or cooperative agreement?

Select the appropriate response:
_ Yes
X No
_ N/A

For applicant agencies that selected either No or N/A above, have any non-federal funds been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress in connection with this federal contract, loan, or cooperative agreement?
_ Yes
X No
_ N/A

Debarment

Each applicant agency will certify that it and its principals (as defined in 2 CFR Part 180.995):
- **Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal Court, or voluntarily excluded from participation in this transaction by any federal department or agency;**
- **Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; or**
- **Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in the above bullet; and have not within a three-year period preceding this application had one or more public transactions (federal, state, or local) terminated for cause or default.**

Select the appropriate response:
X I Certify
_ Unable to Certify

Enter the debarment justification:

Homeland Security Information

FUND SOURCE INFORMATION AND REQUIREMENTS

DHS Project Type: Develop/enhance interoperable communications systems

Capabilities

Core Capability: Operational Communications

Identify if this investment focuses on building new capabilities or sustaining existing capabilities. : Existing Capabilities (Sustain)

Are the assets or activities Deployable or Shareable: Deployable

___ Check if this Investment requires new construction or renovation, retrofitting, or modification of existing structures

_X_ Check if these funds will support a project that was previously funded with HSGP funding

Project Management Step Involved:

Check the step that most closely resembles the phase of the project activities to be completed during the grant period.

Step: Execute

Description: The period within the project lifecycle during which the actual work of creating the project's deliverables is carried out.

Process: Involves directing, accomplishing, managing, and completing all phases and aspects of work for a given project.

Milestones

Milestone: Acquisition of equipment; Completion Date: 11-01-2026
Milestone: Deployment and training on equipment; Completion Date: 01-02-2027
Milestone: Closeout of grant; Completion Date: 03-02-2027

NIMS Resources

___ Check if this project supports a NIMS typed resource

Enter the name of the typed resources from the Resource Type Library Tool:

Enter the ID of the typed resources from the Resource Type Library Tool:

Fiscal Capability Information

Section 1: Organizational Information

***** FOR PROFIT CORPORATIONS ONLY *****

Enter the following values in order to submit the application
Enter the Year in which the Corporation was Founded: 0
Enter the Date that the IRS Letter Granted 501(c)(3) Tax Exemption Status: 01/01/1900
Enter the Employer Identification Number Assigned by the IRS: 0
Enter the Charter Number assigned by the Texas Secretary of State: 0

Enter the Year in which the Corporation was Founded:
Enter the Date that the IRS Letter Granted 501(c)(3) Tax Exemption Status:
Enter the Employer Identification Number Assigned by the IRS:
Enter the Charter Number assigned by the Texas Secretary of State:

Section 2: Accounting System

The grantee organization must incorporate an accounting system that will track direct and indirect costs for the organization (general ledger) as well as direct and indirect costs by project (project ledger). The grantee must establish a time and effort system to track personnel costs by project. This should be reported on an hourly basis, or in increments of an hour.
Is there a list of your organization's accounts identified by a specific number (i.e., a general ledger of accounts)?

Select the appropriate response:

_ Yes
_ No

Does the accounting system include a project ledger to record expenditures for each Program by required budget cost categories?

Select the appropriate response:
_ Yes
_ No

Is there a timekeeping system that allows for grant personnel to identify activity and requires signatures by the employee and his or her supervisor?

Select the appropriate response:
_ Yes
_ No

If you answered 'No' to any question above in the Accounting System section, in the space provided below explain what action will be taken to ensure accountability.

Enter your explanation:

Section 3: Financial Capability

Grant agencies should prepare annual financial statements. At a minimum, current internal balance sheet and income statements are required. A balance sheet is a statement of financial position for a grant agency disclosing assets, liabilities, and retained earnings at a given point in time. An income statement is a summary of revenue and expenses for a grant agency during a fiscal year.
Has the grant agency undergone an independent audit?

Select the appropriate response:
_ Yes
_ No

Does the organization prepare financial statements at least annually?

Select the appropriate response:
_ Yes
_ No

According to the organization's most recent Audit or Balance Sheet, are the current total assets greater than the liabilities?

Select the appropriate response:
_ Yes
_ No

If you selected 'No' to any question above under the Financial Capability section, in the space provided below explain what action will be taken to ensure accountability.

Enter your explanation:

Section 4: Budgetary Controls

Grant agencies should establish a system to track expenditures against budget and / or funded amounts.
Are there budgetary controls in effect (e.g., comparison of budget with actual expenditures on a monthly basis) to include drawing down grant funds in excess of:

a) Total funds authorized on the Statement of Grant Award?
_ Yes
_ No

b) Total funds available for any budget category as stipulated on the Statement of Grant Award?

_ Yes
_ No

If you selected 'No' to any question above under the Budgetary Controls section, in the space provided below please explain what action will be taken to ensure accountability.

Enter your explanation:

Section 5: Internal Controls

Grant agencies must safeguard cash receipts, disbursements, and ensure a segregation of duties exist. For example, one person should not have authorization to sign checks and make deposits. Are accounting entries supported by appropriate documentation (e.g., purchase orders, vouchers, receipts, invoices)?

Select the appropriate response:
_ Yes
_ No

Is there separation of responsibility in the receipt, payment, and recording of costs?

Select the appropriate response:
_ Yes
_ No

If you selected 'No' to any question above under the Internal Controls section, in the space provided below please explain what action will be taken to ensure accountability.

Enter your explanation:

Budget Details Information

Budget Information by Budget Line Item:

CATEGORY	SUB CATEGORY	DESCRIPTION	OOG	CASH MATCH	IN-KIND MATCH	GPI	TOTAL	UNIT/%
Equipment	06CP-01-MOBL Radio, Mobile	8 APX8500 all band Hp mobile radios with programming , cables, accessories, and installation not to exceed $78400 (approx. $9800 each)	$78,400.00	$0.00	$0.00	$0.00	$78,400.00	8
Equipment	06CP-01-PORT Radio, Portable	27 APX800 portable all band model 2.5 radios, accessories, and software not to exceed $264600 (approx. $9800 each)	$264,600.00	$0.00	$0.00	$0.00	$264,600.00	27

Source of Match Information

Detail Source of Match/GPI:

DESCRIPTION	MATCH TYPE	AMOUNT

Summary Source of Match/GPI:

Total Report	Cash Match	In Kind	GPI Federal Share	GPI State Share
$0.00	$0.00	$0.00	$0.00	$0.00

Budget Summary Information

Budget Summary Information by Budget Category:

CATEGORY	OOG	CASH MATCH	IN-KIND MATCH	GPI	TOTAL
Equipment	$343,000.00	$0.00	$0.00	$0.00	$343,000.00

Budget Grand Total Information:

OOG	CASH MATCH	IN-KIND MATCH	GPI	TOTAL
$343,000.00	$0.00	$0.00	$0.00	$343,000.00

Condition Of Fundings Information

Condition of Funding / Project Requirement	Date Created	Date Met	Hold Funds	Hold Line Item Funds

You are logged in as User Name: nathananderson

AGENDA MEMO

DEPARTMENT: Finance/Utility Billing
TO: Mayor and City Council
FROM: Robbie Sorrell, Finance Director
MEETING DATE: March 17, 2026 **CATEGORY**: Resolution

CAPTION:
Consider the approval of Resolution 2026-10R, authorizing the Mayor to approve payment of the tenth and final year of Sales Tax 380 Agreement between the City of Rockport and Gulf Coast Hardware; and providing and effective date.

SUMMARY:
Gulf Coast Hardware sales tax filings were submitted to Rockport to help compile the numbers for fiscal year 2024-2025 on the attached report. The sales taxes paid were then multiplied by 10% to arrive at an amount due of $7,317 for the final 2024-2025 fiscal year.

BACKGROUND:
The City of Rockport entered into a 380 Sales Tax Agreement with Ace Hardware for: 1) the location, retention and improvements to the Retail Center; 2) promotion of local economic development and stimulation of business and commercial activity; and 3) enhancement of local business and commercial activity. Per attached contract excerpt, the agreement is over 10 years, beginning at 100% in year one, and declining by 10% annually thereafter.

FUNDING SOURCE:
General Fund

FUNDING IMPACT:
Included in 2025-2026 Budget

STAFF RECOMMENDATION:
Staff recommends approval of tenth and final payment of Ace 380 Sales Tax Agreement.

STRATEGIC INITIATIVES:
Economic Development - 2. Prioritize types of businessesResolution

ATTACHMENTS:
1. BRNB4220077B0CD_000585
2. BRNB4220077B0CD_000584
3. BRNB4220077B0CD_000586

APPROVAL/REVIEW:
Date: March 03, 2026

Robbie Sorrell, Finance Director

Date: March 10, 2026

Shelley Goodwin, City Secretary

Date: March 11, 2026

Vanessa Shrauner, City Manager

RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS, AUTHORIZING THE MAYOR TO APPROVE PAYMENT OF TENTH AND FINAL YEAR OF SALES TAX 380 AGREEMENT BETWEEN THE CITY OF ROCKPORT AND GULF COAST HARDWARE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Rockport, Texas ("City") entered into a sales tax 380 agreement with Gulf Coast Hardware for the purpose of economic development; and

WHEREAS, the City Council of the City of Rockport finds it in the best interest of the City and its citizens to authorize such contractual payment; and

WHEREAS, sufficient funds have been appropriated in the current fiscal year budget to cover the cost of said agreement; and

WHEREAS, the Mayor, acting on behalf of the City, is authorized to negotiate and execute documents necessary to carry out the intent of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS:

SECTION 1. That the City Council hereby authorizes the Mayor to pay tenth and final payment of sales tax 380 agreement with Gulf Coast Hardware for economic development agreement in an amount of $7,317, per calculations in the form attached hereto as *Exhibit "A."*

SECTION 2. That the City Manager and staff are authorized to take all actions necessary to implement the terms of this agreement.

SECTION 3. This Resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this 17th day of March, **2026**.

CITY OF ROCKPORT, TEXAS

____
Tim Jayroe,
Mayor

ATTEST:

____
Shelley Goodwin, TRMC, MMC
City Secretary

Gulf Coast Hardware
Rebate of Sales Tax Increases
Per 380 Economic Development Agreement

Exhibit "A"

Month of Report to State Comptroller	BASE YEAR City's Fiscal Yr 2014-2015	City's Fiscal Yr 2015-2016	City's Fiscal Yr 2016-2017	City's Fiscal Yr 2017-2018	City's Fiscal Yr 2018-2019	City's Fiscal Yr 2019-2020	City's Fiscal Yr 2020-2021	City's Fiscal Yr 2021-2022	City's Fiscal Yr 2022-2023	City's Fiscal Yr 2023-2024	City's Fiscal Yr 2024-2025
October	2,719	3,081	5,040	10,404	7,982	5,227	7,395	7,293	7,293	7,013	9,619
November	2,639	4,406	4,737	7,942	7,089	5,638	7,118	8,291	6,748	7,048	9,183
December	2,905	5,147	5,084	6,992	6,377	6,004	7,436	8,427	9,408	7,799	8,404
January	2,632	4,334	4,598	6,650	6,531	4,649	6,266	6,761	7,103	6,498	9,694
February	2,827	4,696	4,376	6,895	7,062	5,339	7,154	6,488	6,617	6,268	7,817
March	3,358	6,014	5,771	9,811	5,518	6,827	9,073	8,473	8,608	8,739	10,266
April	3,706	5,556	6,133	8,163	5,500	7,631	9,026	8,599	7,795	7,574	10,138
May	4,201	6,295	6,622	9,708	7,329	10,418	10,463	10,132	9,601	9,090	10,480
June	4,166	6,208	6,904	8,870	6,917	9,631	10,129	9,642	9,684	9,514	10,166
July	4,429	6,769	6,738	9,091	7,706	8,533	11,268	10,017	7,600	10,114	10,189
August	4,020	4,799	5,906	7,982	7,394	8,893	8,744	7,707	7,354	4,856	9,451
September	3,678	5,093	13,575	7,089	7,586	7,692	7,580	7,760	6,949	7,176	9,044
12-Month Total	41,281	62,397	75,484	99,596	82,991	86,483	101,651	99,590	94,760	91,689	114,450
Increase (decrease) from Base Year 2015		21,116	34,203	58,316	41,710	45,202	60,370	58,310	53,479	50,408	73,170
Percent subject to Rebate		100%	90%	80%	70%	60%	50%	40%	30%	20%	10%
Rebate to Gulf Coast Hardware		**21,116**	**30,783**	**46,653**	**29,197**	**27,121**	**30,185**	**23,324**	**16,044**	**10,082**	**7,317**

	2024-2025	Minimum Required
Hour Requirement Met		
Total Employees	98	42

Minimum requirement: 42 employees at 2,000 = 84,000 hours annual

Source: W-3 reports and Hours Worked reports provided by Gulf Coast Hardware

State Comptroller's office to release the monthly reported figures along with any State audit adjustments to the City. Subject to the requirements of the Texas Public Information Act, the City hereby agrees to keep this information "Confidential" consistent with the Texas Tax Code, including, without limitation, Section 151.027 and to the extent allowed by law. Except as required by the provisions of the Texas Public Information Act, the City agrees not to make copies of any of the Sales Tax Report or other financial information and shall not prepare any written summaries of sales.

(d) **Payment of Ad Valorem Taxes.** All ad valorem taxes shall be paid prior to the delinquency date of each tax year on the Retail Center, unless being protested in accordance with Texas law. In the event of a protest, ad valorem taxes from the previous year shall be paid as a good faith gesture of the obligation to pay ad valorem taxes herein.

(e) **Compliance with City Ordinances.** Ace agrees to comply with all City ordinances, and in the event Ace is found to be in violation of a City ordinance, Ace agrees to take all necessary actions to comply with the City ordinances within 30 days of notice of non-compliance.

(f) **Performance.** Ace agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between Ace and City, and any related agreements between Ace and City.

SECTION 5 OBLIGATION OF CITY.

City covenants and agrees with the Ace that, while this Agreement is in effect, it shall comply with the following terms and conditions:

(a) **Program Grant Payment.** The City agrees to make payments to Ace based on the increase in sales and use taxes payable to the City as a result of the modernization and improvements to and remodeling of the abandoned Walmart retail sales center (hereinafter the "Retail Center") situated at 2631 Hwy. 35N, in the City of Rockport, Texas [the annual sales tax revenue requirement] and upon the satisfaction of the following conditions and in accordance with the schedule below:

(1) Payment Schedule: for each year indicated below, Ace shall receive the percentage indicated below of the increase in the sales and use tax from year preceding the modernization and improvements to and remodeling of the abandoned Walmart retail sales center, which would be 2015, and the year indicated below.

Year	Percentage
2016	100%

2017	90%
2018	80%
2019	70%
2020	60%
2021	50%
2022	40%
2023	30%
2024	20%
2025	10%

Notwithstanding anything contained in this agreement to the contrary, the parties' intent is for Program Payments to be made each quarter, based upon the above percentages to Ace, subject to receipt of the City's share of the Sales and Use Tax revenue and subject to an annual review to verify compliance with the foregoing annual sales tax revenue requirement. Should such annual review show a failure to meet the above annual sales tax revenue requirement, within thirty (30) days for such annual review and at City's option, Ace shall either: (i) repay the City for any Program Payment(s) which should not have been made; or (ii) City may offset such Program Payment(s) from any future Program Payments that have or will subsequently become due until repayment is completed. Upon completion of such repayment, City shall resume payment of Program Payment(s) to Ace. In the event City chooses option (i) above, or paragraph (a) below, City may utilize all legal remedies available to enforce such option.

Further, in the event the State Comptroller determines that the City erroneously received Sales and Use Tax revenue, or that the amount of the Sales and Use Tax revenue exceeds the correct amount of the Sales and Use Tax revenue for a prior period of time from which the Ace has received any payment, Ace shall, at City's option, either:

(a) repay the City for any overpayment, or

(b) City may offset any overpayment from any future overpayment until such overpayment is repaid.

Likewise, if the State Comptroller determines that the City is due additional Sales and Use Tax revenue from the sales tax generated by a Retail Sales Center, subject

AGENDA MEMO

DEPARTMENT: Public Works
TO: Mayor and City Council
FROM: Ryan Picarazzi, Public Works Director
MEETING DATE: March 17, 2026 **CATEGORY**: Action Item

CAPTION:
Consider the approval of Resolution 2026-11R authorizing committing local funds for the Community Development Block Grant Disaster Recovery (CDBG-DR) project with the General Land Office (GLO), Contract No. 20-065-090-C252.

SUMMARY:
City commits up to $46,264.62 from its General Fund towards construction costs for the CDBG-DR Contract No. 20-065-090-C252.

BACKGROUND:

FUNDING SOURCE:
01-6318010

FUNDING IMPACT:
$46,264.62

STAFF RECOMMENDATION:
Staff recommends approval of the resolution.

STRATEGIC INITIATIVES:
Action Item

ATTACHMENTS:
1. Local Funds Resolution - Rockport C252

APPROVAL/REVIEW:

Date: March 06, 2026

Ryan Picarazzi, Public Works Director
Date: March 10, 2026

Robbie Sorrell, Finance Director
Date: March 10, 2026

Shelley Goodwin, City Secretary
Date: March 11, 2026

Vanessa Shrauner, City Manager

RESOLUTION NO________

A RESOLUTION OF THE CITY COUNCIL OF ROCKPORT COMMITTING LOCAL FUNDS FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR) PROJECT WITH THE GENERAL LAND OFFICE (GLO), CONTRACT NO. 20-065-090-C252.

WHEREAS, the City Council of Rockport desires to develop a viable community, including descent housing and a suitable living environment and expanding economic opportunities, principally for people of low-to-moderate income; and

WHEREAS, certain conditions exist related to the damage to the City's drainage system that occurred during Hurricane Harvey which represents a threat to the public health and safety; and

WHEREAS. it is necessary to include local funds in order to complete construction of associated project appurtenances for more effective drainage improvements in the project area.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ROCKPORT, TEXAS:

SECTION 1. That the City commits up to $46,264.62 from its General Fund towards construction costs for the CDBG-DR Contract No. 20-065-090-C252.

SECTION 2. That the local funds committed to the CDBG-DR grant will be used in accordance with all applicable federal, state, local and programmatic requirements.

SECTION 3. This Resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED by the City Council of the City of Rockport, Texas, this ___ day of __________, 2026.

____
Tim Jayroe
Mayor

ATTEST:

____
Shelley Goodwin
City Secretary

AGENDA MEMO

DEPARTMENT: Police
TO: Mayor and City Council
FROM: Nathan Anderson, Police Chief
MEETING DATE: March 17, 2026 **CATEGORY**: Ordinance

CAPTION:
Consider the request by the Texas Department of Transportation to lower the speed limit on South Business 35 between 9th Street and the City Limits at Freeze Lane from 60 miles per hour to 55 miles per hour.
i. Hold a Public Hearing to receive comments for or against the request.
ii. Presentation from Staff
iii. Take from the table (previously laid on the table on February 24, 2026)
iv. Consider the approval of the first of two readings of Ordinance 2009 amending the City of Rockport Code of Ordinances Chapter 98 "Traffic and Vehicles", Article III "Speed" Section 98-61, Appendix T-25; providing for the validity of said Ordinance; repealing all prior Ordinances in conflict herewith; and providing for an effective date.

SUMMARY:
A Texas Department of Transportation study has been performed, and the agency has recommended reducing the speed limit on the above-designated Texas Department of Transportation roadway from 60 miles per hour to 55 miles per hour, with contributing factors of crashes and driveway density in commercial and residential areas, including possible future development.

BACKGROUND:
This roadway has been posted at 60 miles per hour, and since that time, there have been numerous crashes involving fatalities.

FUNDING SOURCE:
This is a Texas Department of Transportation initiative, and signage will be provided by this state agency.

FUNDING IMPACT:
NONE

STAFF RECOMMENDATION:
Staff recommends the approval of this ordinance on the recommendation of the Texas Department of Transportation.

STRATEGIC INITIATIVES:
The City of Rockport is committed to the safety of our community. The Texas Department of

Transportation has recommended lowering the speed limit on a Texas Department of Transportation roadway in the city limits of Rockport.Ordinance

ATTACHMENTS:

1. TxDOT Speed Limit Proposal Ordinance 1
2. Concurrence Letter_City of Rockport.docx 1
3. Map of Limits

APPROVAL/REVIEW:

__________________________ Date: February 27, 2026
Nathan Anderson, Police Chief

__________________________ Date: March 10, 2026
Shelley Goodwin, City Secretary

__________________________ Date: March 11, 2026
Vanessa Shrauner, City Manager

ORDINANCE NO. 2009

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS AMENDING THE CITY OF ROCKPORT CODE OF ORDINANCES CHAPTER 98, "TRAFFIC AND VEHICLES," ARTICLE III "SPEED" SECTIONS 98-61, AND AMENDING APPENDIX T-25; PROVIDING FOR THE VALIDITY OF SAID ORDINANCE; REPEALING ALL PRIOR ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the regulation of traffic, motor vehicles, and conveyances upon all public streets, roadway and rights-of-way constituting a speed zone within the City limits is essential and necessary to protect and to preserve the public safety of the City of Rockport, Texas (the "City"); and

WHEREAS, after review, inquiry, and the opportunity for citizen participation at a public meeting, the City Council has found the speed control signs hereinafter set forth and listed in this ordinance are reasonable and necessary for the public safety and are supported by sound and accepted public safety and traffic engineering criteria;

WHEREAS, the Texas Department of Transportation is recommending reducing the speed limit at the South Rockport City Limits to approximately 222-Ft South of 9^{th} St for a total of 2.525 miles; and

WHEREAS, the City Council of the City hereby finds that a Texas Department of Transportation study has been performed and has recommended reducing the speed limit on the above designated Texas Department of Transportation roadway from 60 miles per hour to 55 miles per hour, with contributing factors of crashes and driveway density in commercial and residential areas, including possible future development.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS:

SECTION 1. The recitals above are considered true and correct and incorporated herein for all purposes.

SECTION 2. AMENDMENT TO SECTIONS 98-61, APPENDIX T-25.

Chapter 98 "Traffic and Vehicles," Article III. "Speed," Sections 98-61, Appendix T-25 of the City's Code of Ordinances are hereby amended to wit:

Sec. 98-61. Fifty-five miles per hour.

It shall be unlawful for any person to operate a motor vehicle at a rate of speed in excess of 55 miles per hour on the following streets or highways within the city, as noted in Appendix T-25 below.

Appendix T-25	
#	**Location**
1	On Farm-to-Market 1781 From Spanish Wood Drive to 3833 Farm-to-Market 1781.
2	On Farm-to-Market 2165 From Farm-to-Market 1781 to the 1700 Block of Farm-to-Market 2165 at the north end of Memorial Park.
3	On Farm-to-Market 1781 from Copano Ridge Road to Farm-to-Market 2165.
4	From the south Rockport City Limits at Freeze Lane on Business 35S to the north curbline of 6th Street.

SECTION 3. REPEALER.

Any previously adopted ordinances, and any subsequent amendments to them, which are in conflict with this Ordinance, are all hereby repealed.

SECTION 4. SEVERABILITY.

If any provision, section, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances is, for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof, or provisions or regulations contained herein, shall become inoperative or fail by reason of any unconstitutionality of any other portion hereof, and all provisions of this Ordinance are declared severable for that purpose. Without any Council action, these rates will follow that of the schedule attached.

SECTION 5. FINDINGS.

It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 6. EFFECTIVE DATE.

This Ordinance shall be effective upon the date of final adoption hereof and any publication required by law.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS.

APPROVED on first reading on the __________ day of ___________, 2026.

APPROVED on second and final reading on the __________ day of ___________, 2026.

____
Lowell T. Jayroe
Mayor

ATTEST:

____
Shelley Goodwin, TRMC/CMC
City Secretary

Texas Department of Transportation
125 E 11th St | Austin, Texas 78701
512.463.8588
txdot.gov

November 6, 2025

The Honorable Lowell Timothy Jayroe
Mayor of Rockport, TX.
212 N. Live Oak
Rockport, TX. 78382

Dear Mayor Jayroe,

My name is America B. Garza, Transportation Engineer Supervisor, at the Texas Department of Transportation (TxDOT) – Corpus Christi District, Traffic Engineering Department.

We recently conducted a speed study along BS35L, beginning at the East Rockport City Limits to E of 9th Street for a total of 2.525 miles. As a result, the 85th percentile shows that most of the traveling public is driving the posted speed limit of 60mph in both directions.

However, TxDOT is recommending reducing the speed limit based on the following factors: crashes and driveway density in commercial and residential areas including possible future development. We are kindly requesting that the City of Rockport pass a city ordinance to reduce the speed within this roadway segment described below:

- That a 55mph zone be established by the city from the East Rockport City Limits to approximately 222-Ft East of 9th Street for a total of 2.525 miles (figure 1).

If the City of Rockport concurs with our proposal, please secure city action and return one copy of the city ordinance to our office. Once we have the city ordinance, we will schedule sign installations with the lowered speed limit.

I have attached a map for your reference of the are described. If you have any questions or need additional information, please feel free to contact me at (361) 808-2490.

Respectfully,

DocuSigned by:
America B. Garza
93EB32D69A7D4CB...

America B. Garza, P.E.
Transportation Engineer Supervisor
Corpus Christi District, Traffic Engineering Dept.
361-808-2490
America.Garza@txdot.gov

Figure 1: BS35L Proposed Speed Limit


BS35L
Proposed 55 Mph
Legend
Existing 60 Mph
Proposed 55 Mph
Turtle Bayou
The Cove
MP 2.178 (Approx. 222 FT East Of 9th Street)
9th St
Papo's Place
Paradise Key Dockside Bar & Grill
SPEED LIMIT 60
EXISTING Speed Zone
SPEED LIMIT 55
PROPOSED Speed Zone
SR Boilhouse
Boat Ramp
Gulfside Corporation
Palm Harbor RV
MP 4.703
Rockport CITY LIMIT
Safe Harbor Boat Storage
Coral Reef Cottages
Hideout 35
16th St
Smokehouse Rd
Hardee St
Henderson St
Ruby Allen St
Dallas St
Fort Worth St
Eagle Fang mobile RV repair
Coastal Palms RV Sites
Monkey Rd
Park
Steward Ln
Fishers Of Men RV Park
Google Earth

AGENDA MEMO

DEPARTMENT: City Secretary
TO: Mayor and City Council
FROM: Shelley Goodwin, City Secretary
MEETING DATE: March 17, 2026 **CATEGORY**: Resolution

CAPTION:
Consider the approval of Resolution 2026-13R appointing and reappointing members to the Zoning Board of Adjustment; providing for terms of office; and providing for an effective date.

SUMMARY:
The Zoning Board of Adjustments is behind in their appointments. Since the last Board and Commission drive, the City has received several qualified applications and staff is asking to fill 3 vacancies and reappoint the other members.

BACKGROUND:
Code of Ordinances Section118-201 Members of the Board of Adjustment.
a) *Composition of Board.*
The Zoning Board of Adjustment shall consist of five members appointed by the City Council, two for a term of one year and three for a term of two years, and thereafter for terms of two years. Any vacancies shall be filled immediately for the unexpired term by appointment by the City Council.
b) *Removal of Board Member.*
The City Council may remove a board member for cause on a written charge after a public hearing. The City Council shall appoint a replacement to fill the unexpired term of any vacancy in compliance with state law.
c) *Alternate Members.*
The City Council shall appoint two alternate members to the board of adjustment, for a term of two years, who shall serve in the absence of one or more of the regular members when requested to do so by the mayor or city manager as the case may be. An alternate member serves for the same period as a regular member and is subject to removal in the same manner as a regular member. A vacancy among the alternate members is filled in the same manner as a vacancy among the regular members.
d) *Term Limits.*
No person shall be appointed to serve more than three (3) consecutive terms.

By making these appointments, it will get the ZBOA terms back on track and in June 4 of these appointments that will be up, will come back for reappointments.

Board Members	Term Ends	Notes

Patt (Patricia) Bemrose	June 2025	Ward 1 Appointee. Is interested in servi term.
Vacant	June 2024	Ward 2 Appointee
Vacant	June 2025	Ward 3 Appointee
Pamela Dixon Frost	June 2024	Ward 4 Appointee. Is interested in servi term.
Vacant	June 2024	At-large/ Mayor appointee. Is interested another term.
Rocky Gudim	June 2024	Alternate/At-large/Mayor appointee. Is serving another term.
Brandi Picton	June 2025	Alternate/At-large/Mayor appointee. Is serving another term.

FUNDING SOURCE:
N/A

FUNDING IMPACT:
N/A

STAFF RECOMMENDATION:

STRATEGIC INITIATIVES:
Resolution

ATTACHMENTS:
1. Resolution ZBOA

APPROVAL/REVIEW:

Date: March 04, 2026

Shelley Goodwin, City Secretary

Date: March 11, 2026

Vanessa Shrauner, City Manager

RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS, APPOINTING AND REAPPOINTING MEMBERS TO THE ZONING BOARD OF ADJUSTMENT; PROVIDING FOR TERMS OF OFFICE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Rockport, Texas, has established a Zoning Board of Adjustment in accordance with the City's Code of Ordinances and applicable provisions of state law; and

WHEREAS, the Zoning Board of Adjustment is composed of five (5) members and two (2) alternate members to serve in the absence of another member; and

WHEREAS, the appointments shall be for the term of two (2) years; and

WHEREAS, any vacancies that occur shall be filled by appointment of the City Council for the unexpired term; and

WHEREAS, the City Council finds it necessary and in the best interest of the City of Rockport to appoint and/or reappoint qualified individuals to serve on the Zoning Board of Adjustment.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS:

SECTION 1. The following individuals are hereby appointed and/or reappointed to serve on the Zoning Board of Adjustment for the terms indicated:

Name	Position	Term Expiration
	Appointment/Reappointment (Ward 1)	June 2027
	Appointment to fill a vacancy (Ward 2)	June 2026
	Appointment to fill a vacancy (Ward 3)	June 2027
	Appointment/Reappointment (Ward 4)	June 2026
	Appointment to fill a vacancy (Mayor)	June 2026
	Appointment/Reappointment Alternate (Mayor)	June 2026
	Appointment/Reappointment Alternate (Mayor)	June 2027

SECTION 2. Members shall serve for the terms indicated above, or until their successors are duly appointed and qualified.

SECTION 3. Any vacancy occurring on the Zoning Board of Adjustment shall be filled by appointment by the City Council for the remainder of the unexpired term.

SECTION 4. This Resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED by the City Council of the City of Rockport, Texas, this ___ day of __________, 2026.

____
Tim Jayroe
Mayor

ATTEST:

____
Shelley Goodwin
City Secretary

AGENDA MEMO

DEPARTMENT: Building & Development
TO: Mayor and City Council
FROM: Kimberly Henry, Assistant to the City Manager
MEETING DATE: March 17, 2026 **CATEGORY**: Action Item

CAPTION:
Request for a Heritage District Certificate of Appropriateness Application submitted by building owner, Richard Neely for the business of Dog (Pet) Wants - Tiki Bar to be located at 404 S. Austin Street to add on to the existing building with a structure that includes garage doors with glass panels.
i. Presentation by staff
ii. Presentation by requestor
iii. Consider the approval of the Heritage District Certificate of Appropriateness Application submitted by Dog (Pet) Wants - Tiki Bar to be located at 404 S. Austin Street to add on to the existing building with a structure that includes garage doors with glass panels.

SUMMARY:
Mr. Richard Neely, the owner of the building located at 404 S. Austin Street, also known as Pet Wants, has submitted an application for a Heritage District Certificate of Appropriateness. The staff has compared the application with the Austin Street Corridor Overlay plan, and we see no issues with the proposed structure. The only outlying concern was that the Heritage District Zoning Overlay Code does not address glass-paneled garage doors. The design with glass-paneled garage doors is similar to Rudy's in Corpus Christi, Texas and photos are included in the packet.

Per the Rockport Heritage District Zoning Overlay Code (RHDZOC), the board's responsibilities include hearing Design Exceptions (RHDZOC 3.8.1ix). Because this request involves such, this is an item that requires action from the Heritage District Board/City Council.

BACKGROUND:

FUNDING SOURCE:
N/A

FUNDING IMPACT:
N/A

STAFF RECOMMENDATION:
Staff has reviewed the application and recommends approval of the Heritage District Certificate of Appropriateness Application submitted by building owner, Richard Neely for the business of Dog (Pet) Wants - Tiki Bar to be located at 404 S. Austin Street to add on to the existing

building with a structure that includes garage doors with glass panels.

STRATEGIC INITIATIVES:
Action Item

ATTACHMENTS:
1. HD Application_404 s Austin
2. Large Site Plans_404 s Austin
3. Pictures (Rudy's bbq)

APPROVAL/REVIEW:

______________________________	Date: March 05, 2026
Kimberly Henry, Assistant to the City Manager	
______________________________	Date: March 10, 2026
Shelley Goodwin, City Secretary	
______________________________	Date: March 11, 2026
Vanessa Shrauner, City Manager	

Heritage District Certificate of Appropriateness Application

CITY of ROCKPORT, TEXAS — Est. 1870

Building & Development Services Department

Chapter 118 of the City of Rockport Code of Ordinances (available at www.cityofrockport.com/200/Ordinances-Resolutions) established the Heritage District Zoning Overlay Code with the purpose and intent of implementing the design goals of the Heritage District Master Plan, establishing specific standards within different character districts, and encouraging historic preservation and economic development. A complete certificate of appropriateness (COA) is required in order to help guide the project through the process as quickly and efficiently as possible. **It is highly recommended that applicants contact the Building and Development Services Department in the beginning stages of their project before any designs are finalized and well in advance of an application deadline.** The COA is required for any modifications or improvements made to property within the Heritage District and is not in lieu of a building permit.

Property Description

Address: 404 S. Austin Stree Rockport, Texas 78382 Phone # 520-414-9142 **ACAD Property ID:** ________

Subdivision: (Austin Street Coridor) Doughty & Mathis Division City of Rockport Vol. "E" Pages 272-273 **Block:** 8 **Lot:** 5

Character District: ☑ Austin Street Corridor ☐ Arterial Mixed Use District ☐ Civic Core District ☐ Harbor Destination ☐ Neighborhood Mixed Use District ☐ Waterfront District

Street Type Designation: ☐ A ☑ B **Current Use/Occupation:** Dog Wants @ 404 S. Austin

Property Owner Information

Name: Richard Neely

Company: Property Owner

Mailing Address: 406 Olympic Rockport, Texas 78382

Phone: 520-414-9142

Email: RNCoating@CGMailbox.com

Signature: Richard S Neely

Date: 2-2-2026

Owner's Agent/Representative (if different from owner)

Name: James Temple Construction

Company: Temple Homes

Mailing Address: P.O. Box 568 Odem, Tx. 78370 4370 CR 2289 Odem, Tex 78370

Phone: 361-774-5606

Email: templehomes@Yahoo.com

Signature: [signature]

Date: 1/30/2026

Project Description Summary

Project Name: Dog Wants-Tiki Bar **Use Designation:** ☑ Commercial ☐ Residential

Proposed Use/Occupation: Tiki Bar; Ran By Andrew

Type of Project (check all that apply): ☑ Building Addition ☐ Change of Use/Expansion of Use ☐ Demolition ☑ Expansion of Building Area ☐ Expansion of Parking Area ☐ Facade Changes ☐ Signage, Modification ☐ Signage, New ☑ New Construction ☐ Rehabilitation/Remodeling ☐ Relocation

Add on to Ext. Building @ 404 S. Austin St., Rockport Tx, 78382

Project Synopsis: We will add on to the Build on The same Slab with New 12"x24" Beams new construction will be 62 ft. Along N. Wall + Tie to Roof header on Ext. Bld. Also 62 ft. the Front wall will be Appx. 18 ft. with the on west or front and Appx. 18 ft. on the East are Back of Addition.

Application Checklist

Please check the box of the materials listed below that are attached to this application. Refer to Chapter 118 Sec. 118-261 through Sec. 118-270 of the Code of Ordinances for a complete description of all requirements.

1. ☑ Detailed description of the project and scope of work
2. ☑ Project timeline 3 to 4 mts
3. ☑ Photo of front of the structure and additional photos of the area(s) of work
4. ☑ Site plan, with all maps and renderings drawn to scale and including the required elements listed in Sec. 118-263 §3.7.1 as well as any other details necessary to clearly describe the project
5. ☑ Specifications of materials to be used
6. ☐ Samples of materials, paint colors, finishes, and/or fabrics
7. ☐ Elevations and architectural drawings showing exterior work and fencing
8. ☐ Proposed signage plan
9. ☑ Proof of ownership or authorization to act on behalf of the property owner

*****DO NOT WRITE BELOW THIS LINE – FOR STAFF USE ONLY*****

Date Received:_______________ **Referred to:** ☐ Staff ☐ RHDB Date:_______________

Resolution: ☐ Approved ☐ Denied ☐ Appealed Date:_______________

Comments:____

ROCKPORT CULTURAL

www.rockportculturalartsdistrict.com
902 E. Cornwall St, Rockport, TX 78382

December 10, 2025

TO WHOM IT MAY CONCERN:

The Rockport Cultural Arts District (RCAD) supports the expansion of our local business, Pet Wants, located in the Cultural and Heritage Districts.

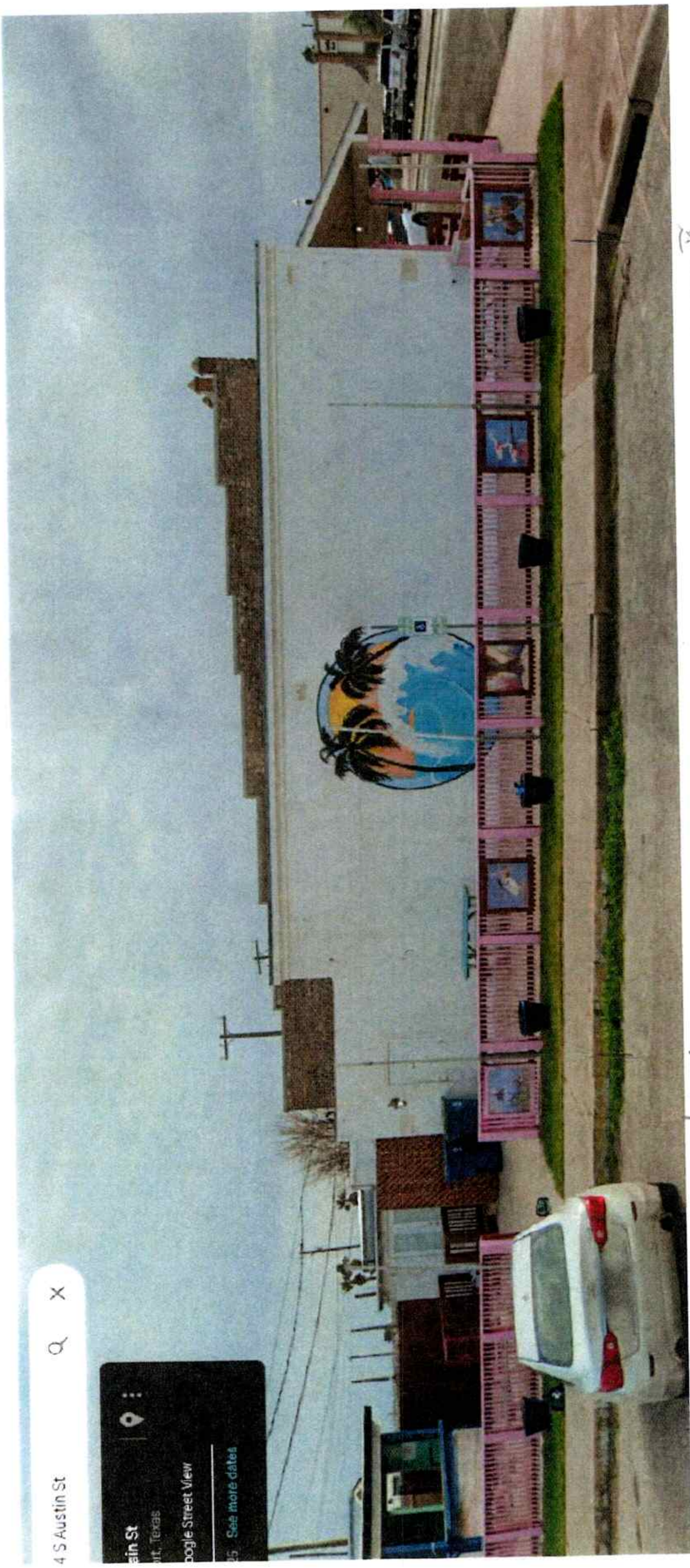
Pet Want's initiatives to expand its physical footprint, adding a Tiki themed bar and food service, as well as entertainment, align with RCAD's economic development goals that enhance existing amenities, drawing more visitors to the district while offering expanded opening hours.

Additionally, it's civic minded approach to serve as a hosting location for local organizations ignite synergy that fuel future creative enhancements to the area.

Kind regards,

Jennifer Day

Jennifer Day,
Executive Director



62'-0"

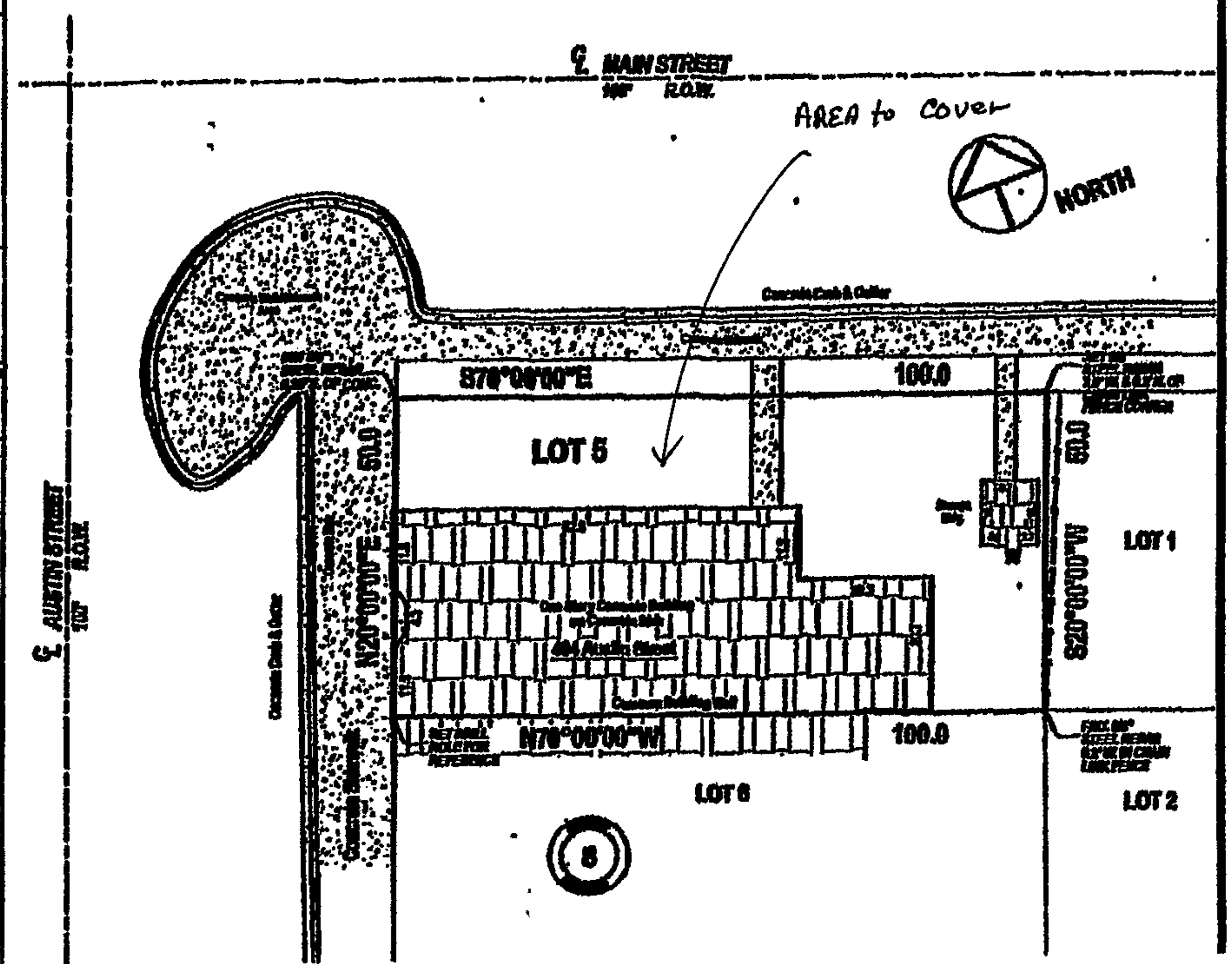
End of bldg

404 S. Austin St. Rockport TX 78382

LEGAL DESCRIPTION

LOT NO. 5, BLOCK NO. 8
DOUGHTY AND MATHIS DIVISION
CITY OF ROCKPORT
VOLUME "E", PAGES 272-273
DEED RECORDS
ARANSAS COUNTY, TEXAS.

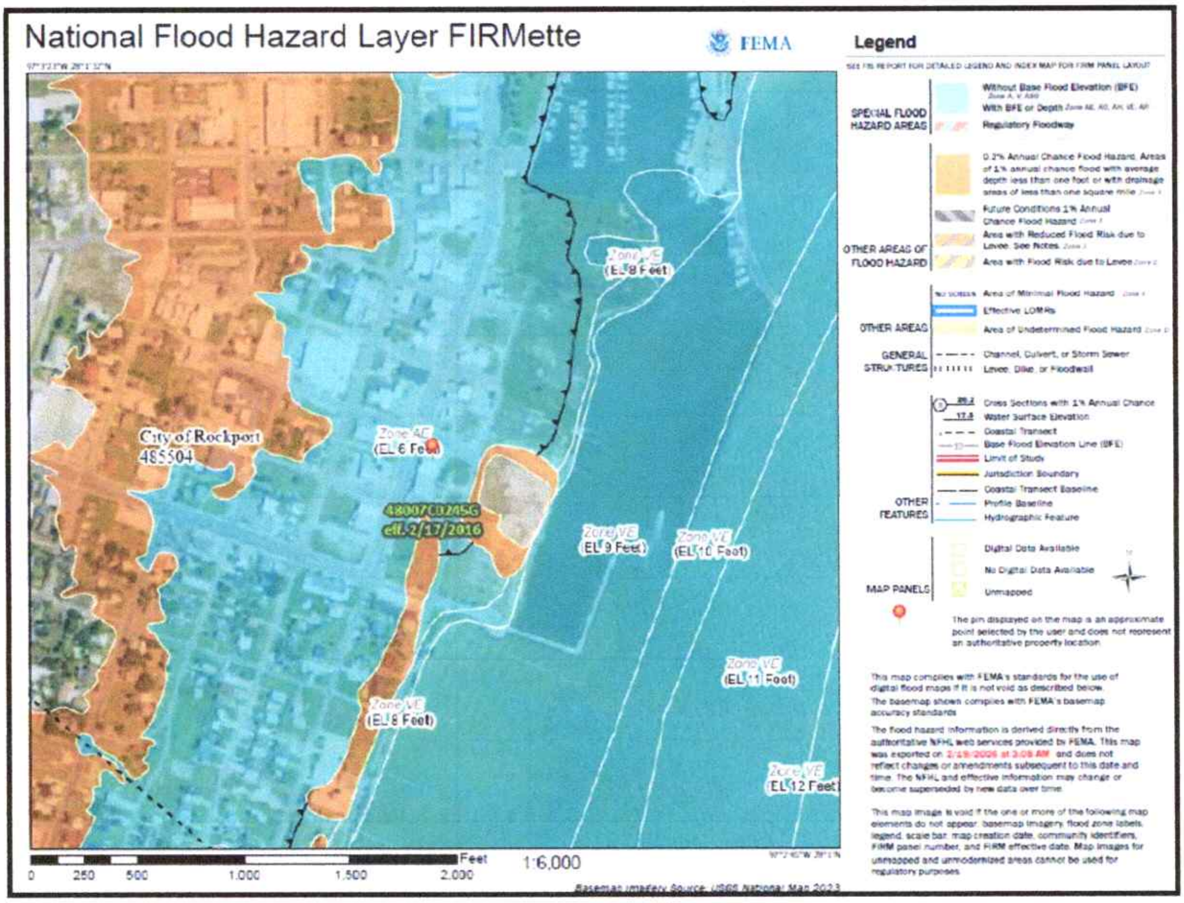
SCALE: 1" = 20'   JUNE 3, 2015



Griffith & Brundrett
Surveying & Engineering, Inc.

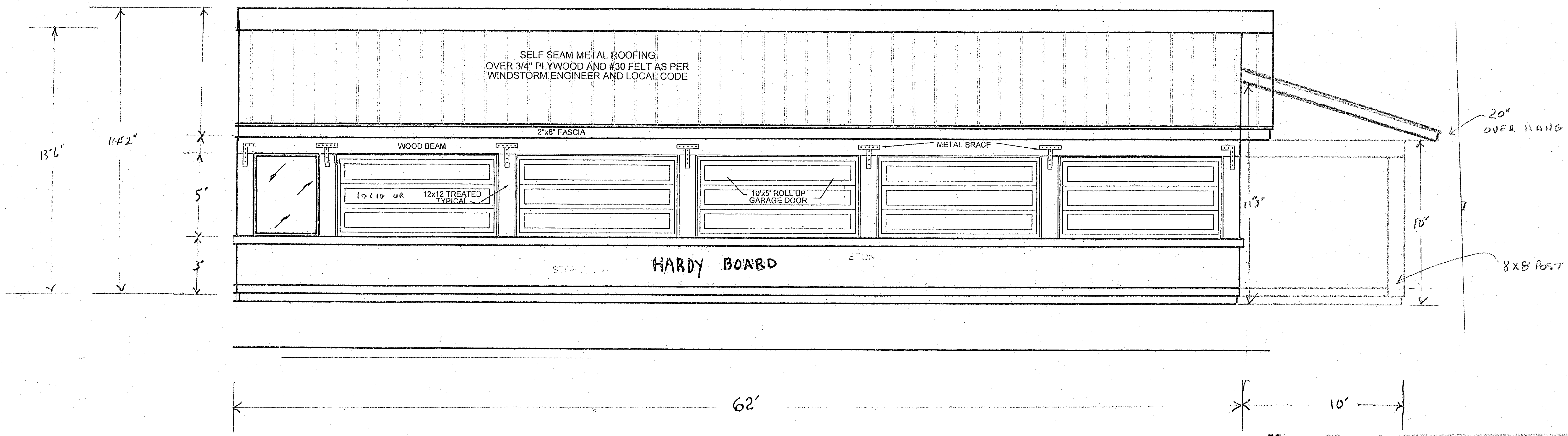
Site Aerial

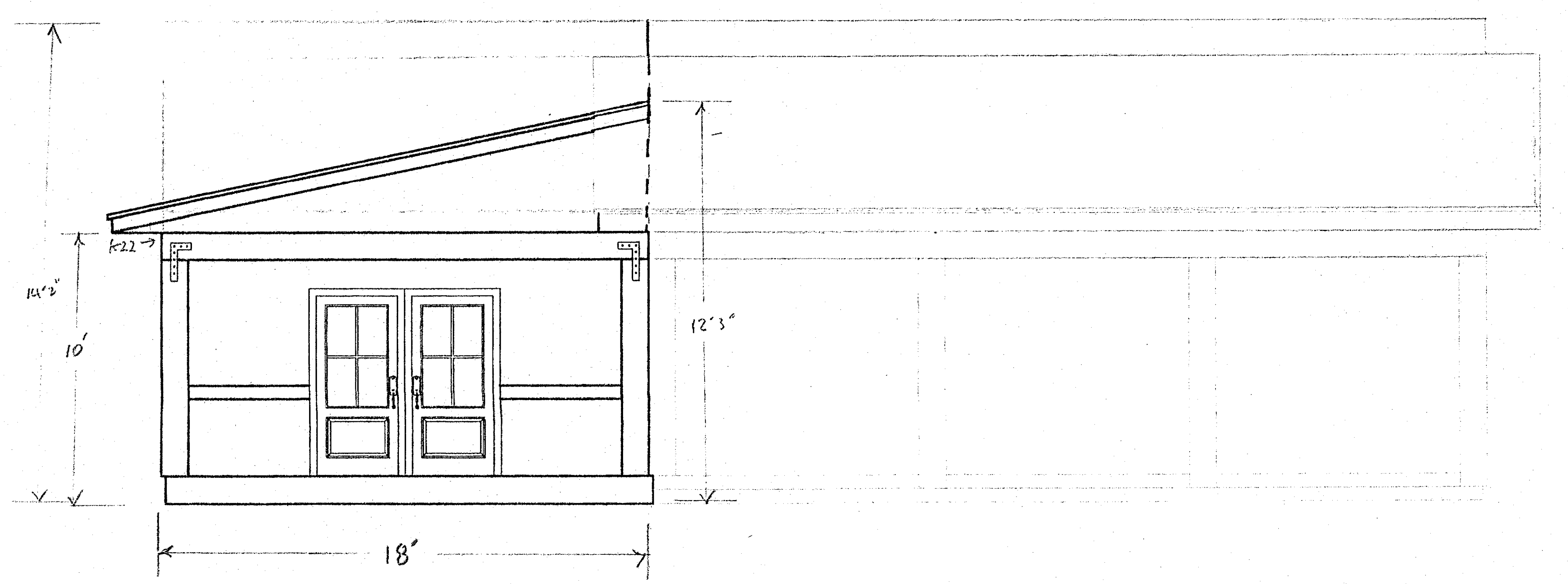
Flood Map


National Flood Hazard Layer FIRMette
FEMA
Legend
SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT
SPECIAL FLOOD HAZARD AREAS
Without Base Flood Elevation (BFE)
With BFE or Depth
Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD
0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile
Future Conditions 1% Annual Chance Flood Hazard
Area with Reduced Flood Risk due to Levee. See Notes.
Area with Flood Risk due to Levee
OTHER AREAS
Area of Minimal Flood Hazard
Effective LOMRs
Area of Undetermined Flood Hazard
GENERAL STRUCTURES
Channel, Culvert, or Storm Sewer
Levee, Dike, or Floodwall
OTHER FEATURES
Cross Sections with 1% Annual Chance
Water Surface Elevation
Coastal Transect
Base Flood Elevation Line (BFE)
Limit of Study
Jurisdiction Boundary
Coastal Transect Baseline
Profile Baseline
Hydrographic Feature
MAP PANELS
Digital Data Available
No Digital Data Available
Unmapped
The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.
This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below.
The basemap shown complies with FEMA's basemap accuracy standards
The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on
and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.
This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.
City of Rockport
485504
Zone AE
(EL 6 Feet)
48007C0245G
eff. 2/17/2016
Zone VE
(EL 8 Feet)
Zone VE
(EL 9 Feet)
Zone VE
(EL 10 Feet)
Zone VE
(EL 11 Feet)
Zone VE
(EL 12 Feet)
Feet
0
250
500
1,000
1,500
2,000
1:6,000
Basemap Imagery Source: USGS National Map 2023

3/16 Scale

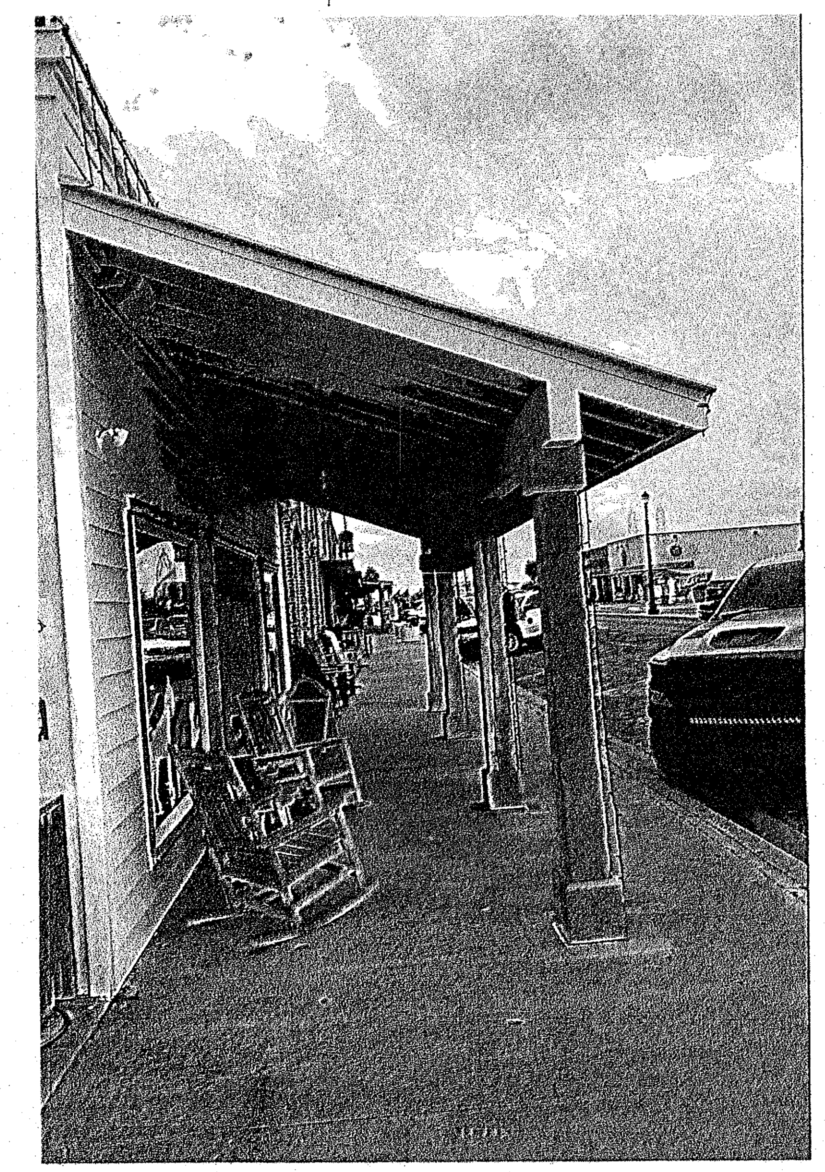
RAFTERS-2X8-16" ON CENTER



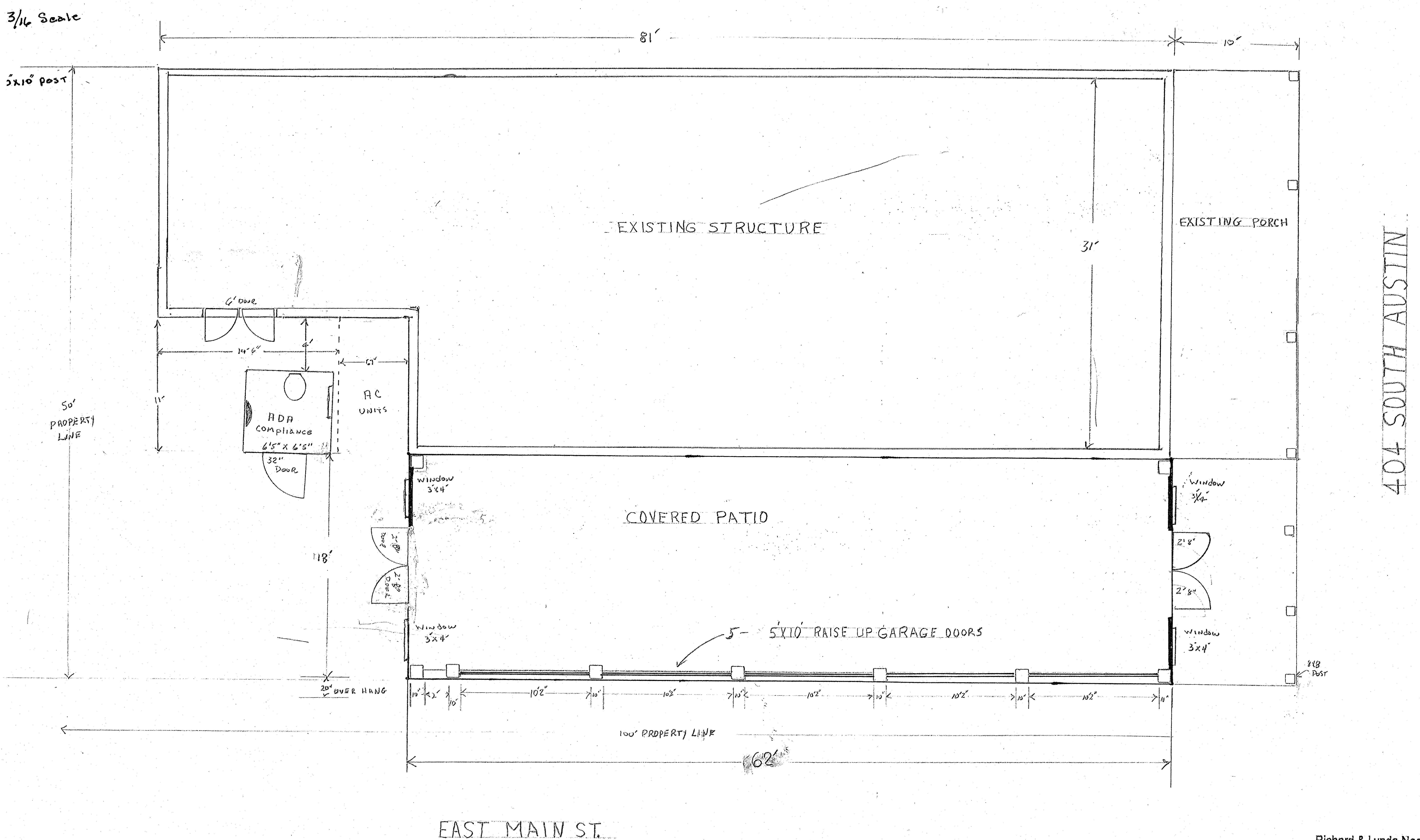


404 S AUSTIN ST

RNCoating@CGMailbox.com



Richard & Lynda Neely
406 Olympic Drive
Rockport, TX 78382

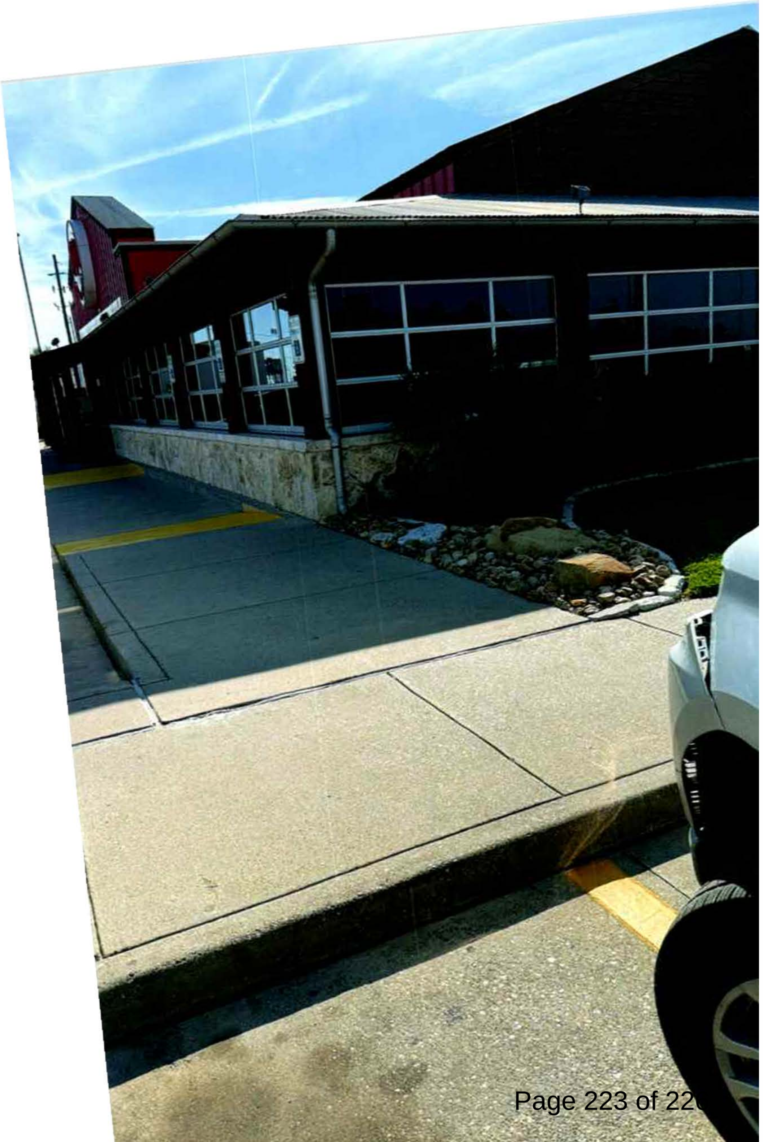


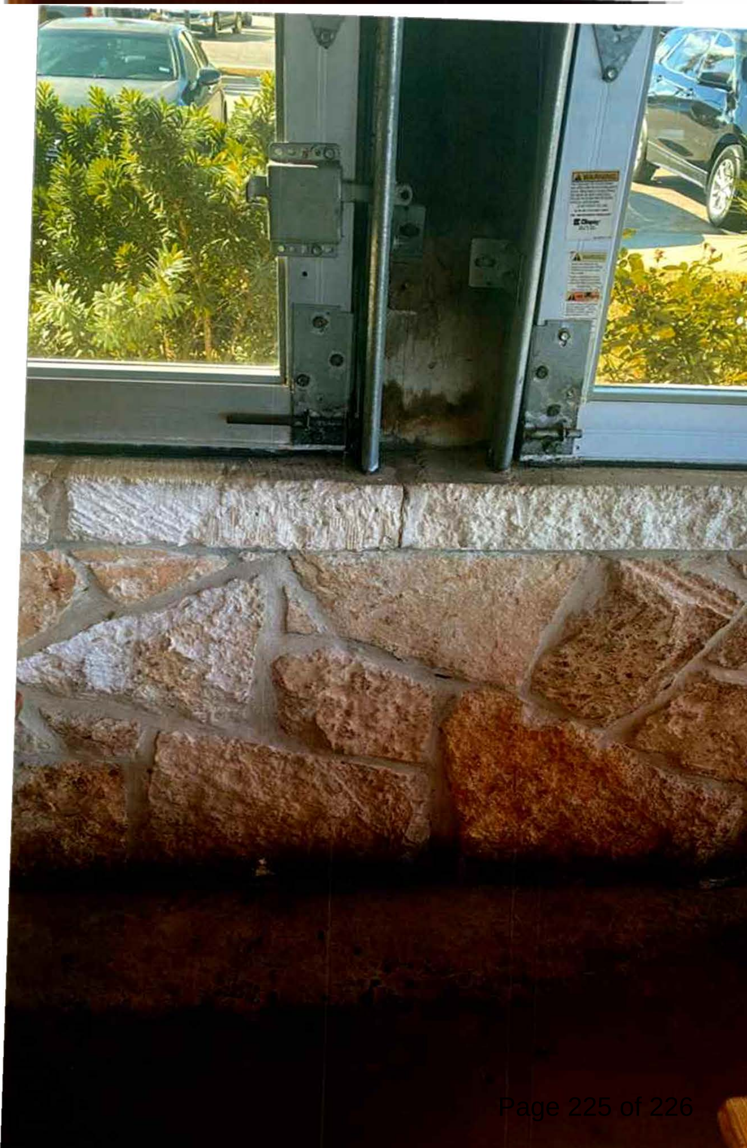
Richard & Lynda Neely
406 Olympic Drive
Rockport, TX 78382
520-414-9142


Rudy's
OPEN EVERYDAY
FRI & SAT
NO CHECKS PLEASE


RESERVED
PARKING
VAN
ACCESSIBLE


RESERVED PARKING
VAN ACCESSIBLE





AGENDA MEMO

DEPARTMENT: City Secretary
TO:
FROM: Shelley Goodwin, City Secretary
MEETING DATE: March 17, 2026 **CATEGORY**: Presentation

CAPTION:
Discussion to deliberate the appointees' annual performance evaluation process and duties (City Manager, Municipal Judge, and City Secretary)[3].

SUMMARY:

BACKGROUND:

FUNDING SOURCE:

FUNDING IMPACT:

STAFF RECOMMENDATION:

STRATEGIC INITIATIVES:
Presentation

ATTACHMENTS:
None

APPROVAL/REVIEW:

Date: March 10, 2026
Shelley Goodwin, City Secretary

Date: March 11, 2026
Vanessa Shrauner, City Manager