



City of Rollingwood, Texas
Annual Financial Report
Fiscal Year Ended September 30, 2025





What's in the AFR?

- Independent Auditor's Report
- Management's Discussion and Analysis
- Government-Wide and Fund Financial Statements
- Proprietary Fund Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information
- Other Supplementary Information



Independent Auditor's Report

- Audit standards to follow
 - Generally Accepted Auditing Standards
 - *Government Auditing Standards*
- Purpose
 - To form an independent opinion on whether the financial statements are presented in accordance with Generally Accepted Accounting Principles (GAAP).
- Independent opinion on the financial statements
 - Audit is “unmodified”
 - This is the best opinion that can be given for an independent audit. It means we have no modifying statements in our opinion letter.



Management's Discussion and Analysis

- Financial Highlights
- Overview of the Financial Statements
- Government-Wide Financial Analysis
- Financial Analysis of the City's Funds
- Budgetary Highlights
- Capital Assets and Long-Term Debt
- Economic Factors and Next Year's Budget and Rates
- Requests for Information

Financial Highlights

- Government-Wide Financial Statements
 - Assets of the City exceeded its liabilities (Net Position) by \$9.2 million at September 30, 2025.
 - Governmental Activities - \$6.8 million
 - Business-type Activities - \$2.3 million
 - Net Position increased by \$1.3 million from 2024.
 - Governmental Activities - \$1.3 million
 - Business-type Activities – (\$7 thousand)

Financial Highlights (Continued)

- Fund Financial Statements

Governmental Funds:

- The General Fund's fund balance at the end of the 2025 fiscal year was \$5.8 million, an increase of \$928 thousand from 2024.
 - Unassigned fund balance was \$5.4 million
 - Approximately 25 months operating reserve
- The combined fund balance for all funds was \$4.5 million, a decrease of \$372 thousand from 2024 due to Capital Outlay in the Drainage Fund.
 - The City's fund balances at September 30, 2025 were as follows
 - Restricted - \$1 million



Financial Highlights (Continued)

- Fund Financial Statements (Continued)

- Proprietary Funds:

- Water fund net position increased \$78 thousand to \$1.7 million.
 - Unrestricted Net Position was \$561 thousand
- Wastewater fund net position decreased \$85 thousand to \$567 thousand.
 - Unrestricted Net Position was \$374 thousand
- Water sales increased \$104 thousand
- Wastewater fees expense increased \$32 thousand



Compliance Section

- Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*



Letter on Conduct of Audit

- Accounting Policies
- Accounting Estimates and Disclosures
- Difficulties in Performing the Audit
- Misstatements
- Disagreements
- Management Representations
- Consultations with other Independent Accountants
- Compliance with the Public Funds Investment Act



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