

**CITY OF ROCKWALL, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Prepared by:

**CITY OF ROCKWALL, TEXAS**

**FINANCE DEPARTMENT**

Mary P. Smith, CPA  
Assistant City Manager/  
Director of Finance



**CITY OF ROCKWALL, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013**

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit/Table</u>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal.....	1	
GFOA Certificate of Achievement.....	9	
Organizational Chart.....	10	
List of Principal Officials.....	11	
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report on Financial Statements.....	15	
Management's Discussion and Analysis (Required Supplementary Information).....	19	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Position.....	33	Exhibit A-1
Statement of Activities.....	34	Exhibit A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	36	Exhibit A-3
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position.....	39	Exhibit A-4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	40	Exhibit A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	42	Exhibit A-6
Statement of Net Position - Proprietary Funds.....	43	Exhibit A-7
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds.....	44	Exhibit A-8
Statement of Cash Flows - Proprietary Funds.....	45	Exhibit A-9
Statement of Assets and Liabilities- Agency Fund.....	46	Exhibit A-10
Notes to the Financial Statements .....	47	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedules:		
General Fund.....	72	Exhibit B-1
Schedule of Funding Progress.....	73	Exhibit B-2

**CITY OF ROCKWALL, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013**

TABLE OF CONTENTS

	Page	Exhibit/Table
<u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	78	Exhibit C-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Nonmajor Governmental Funds.....	79	Exhibit C-2
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	80	Exhibit C-3
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	84	Exhibit C-4
Budgetary Comparison Schedules:		
Cemetery Fund.....	88	Exhibit C-5
Police Investigation Fund.....	89	Exhibit C-6
Recreational Development Fund.....	90	Exhibit C-7
Radio System.....	91	Exhibit C-8
Street Improvements Fund.....	92	Exhibit C-9
Hotel Motel Tax.....	93	Exhibit C-10
Fire Equipment Fund.....	94	Exhibit C-11
Aviation Fund.....	95	Exhibit C-12
Recycling Fund.....	96	Exhibit C-13
Debt Service Funds:		
Budgetary Comparison Schedules:		
Debt Service Fund.....	97	Exhibit C-14
Harbor Debt Service.....	98	Exhibit C-15
Capital Projects Funds:		
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	100	Exhibit C-16
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	102	Exhibit C-17

**CITY OF ROCKWALL, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013**

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit/Table</u>
Internal Service Funds:		
Combining Statement of Net Position.....	104	Exhibit C-18
Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	105	Exhibit C-19
Combining Statement of Cash Flows.....	106	Exhibit C-20
Fiduciary Funds:		
Agency Funds:		
Combining Statement of Changes in Assets and Liabilities.....	107	Exhibit C-21
Capital Assets Used in the Operation of Governmental Funds:		
Comparative Schedules by Source.....	110	Exhibit C-22
Schedule by Function and Activity.....	111	Exhibit C-23
Schedule of Changes by Function and Activity.....	112	Exhibit C-24
Discrete Component Units - Combining Statements and Budgetary Comparison Schedules as Supplementary Information:		
Combining Statement of Net Position - Discrete Component Units.....	115	Exhibit C-25
Combining Statement of Activities - Discrete Component Units.....	116	Exhibit C-26
Combining Balance Sheet - Discrete Component Units.....	117	Exhibit C-27
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position - Discrete Component Units.....	119	Exhibit C-28
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Discrete Component Units.....	120	Exhibit C-29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities - Discrete Component Units.....	121	Exhibit C-30
Budgetary Comparison Schedules - Discrete Component Units:		
Rockwall Economic Development Corporation.....	122	Exhibit C-31
Rockwall Technology Park Association.....	123	Exhibit C-32

**CITY OF ROCKWALL, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013**

TABLE OF CONTENTS

	Page	Exhibit/Table
STATISTICAL SECTION		
Net Position by Component.....	127	Table D-1
Changes in Net Position.....	128	Table D-2
Governmental Activities Tax Revenues by Source.....	130	Table D-3
Business Type Activities Revenues By Source.....	131	Table D-4
Fund Balances of Governmental Funds.....	132	Table D-5
Changes in Fund Balances, Governmental Funds.....	134	Table D-6
General Governmental Tax Revenues by Source.....	136	Table D-7
Sales Tax collections As Compared to Tax Levy.....	137	Table D-8
Assessed Value and Estimated Actual Value of Taxable Property.....	138	Table D-9
Property Tax Exemptions.....	139	Table D-10
Direct and Overlapping Property Tax Rates.....	140	Table D-11
Principal Taxpayers.....	141	Table D-12
Property Tax Levies and Collections.....	142	Table D-13
Top Ten Water Customers.....	143	Table D-14
Ratio of Outstanding Debt by Type.....	144	Table D-15
Ratio of General Bonded Debt Outstanding.....	145	Table D-16
Computation of Direct and Overlapping Debt.....	146	Table D-17
Computation of Legal Debt Margin.....	147	Table D-18
Schedule of Revenue Bond Coverage - Water and Sewer Bonds.....	148	Table D-19
Demographic and Economic Statistics.....	149	Table D-20
Principal Employers.....	150	Table D-21
Full-time Equivalent City government Employees by Function.....	151	Table D-22
Operating Indicators by Function.....	152	Table D-23
Capital Asset Statistics By Function.....	154	Table D-24

## Introductory Section

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# City of Rockwall

*The New Horizon*

March 25, 2013

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

The Comprehensive Annual Financial Report (CAFR) of the City of Rockwall for the fiscal year ended September 30, 2013, is hereby submitted in accordance with Section 7.18 of the City Charter. The financial statements are 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.

Management assumes full responsibility for both the completeness and reliability of all of the information presented in this report. Fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds in the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

To provide a reasonable basis for making these representations, management of the City of Rockwall has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Rockwall's financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- (1) the cost of a control should not exceed the benefits likely to be derived; and
- (2) the valuation of costs and benefits requires estimates and judgments by management.

Because the cost of internal controls should not outweigh their benefits, the City of Rockwall's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. The internal control structure is subject to periodic evaluation by City management.

The City of Rockwall's financial statements have been audited by Rutledge, Crain & Company, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Rockwall for the fiscal year ended September 30, 2013, 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 statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Rockwall's financial statements for the fiscal year ended September 30, 2013, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the financial statements as required by GAAP. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE GOVERNMENT**

The City of Rockwall, Texas, county seat of Rockwall County, Texas was incorporated in 1874. Its name is derived from an underground rock wall discovered in 1854. The unusual rock formations are found throughout the county. The City is located on the eastern shore of Lake Ray Hubbard, 22 miles east of downtown Dallas on Interstate Highway 30. The Dallas/Fort Worth area is recognized as one of the top growth areas in the country. The Dallas/Fort Worth International Airport and Love Field in Dallas meet the air transportation needs of the region.

The City currently has a land area of approximately 29.79 square miles and an estimated population of 38,755.

The City of Rockwall adopted a home rule charter in 1985 which established a council-manager form of government. Charter amendments were adopted in 2005. Policy making and legislative authority is vested in the City Council, which consists of a Mayor and six Council Members, all elected at large. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the City and for appointing the heads of the various departments. The mayor and six council members are elected to two year staggered terms. The government is empowered to levy a property tax on both real and personal property located within its boundaries. The government also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

The City of Rockwall provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; planning and zoning, parks and recreational activities and general administrative services. Additionally, the City provides water and sewer services as an enterprise function.

Discretely presented component units are legally separate entities and are not part of the primary government's operations. The City of Rockwall is financially accountable for its component units. Accordingly, the Rockwall Economic Development Corporation (REDC) and Rockwall Technology Park Association are included in these financial statements and are explained in more detail in Note 1 of the Notes to the Financial Statements.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is best understood when considered from the broader perspective of the specific environment within which the City of Rockwall operates.

### **Local Economy**

The City of Rockwall is situated in the Dallas/Fort Worth Consolidated Metropolitan Statistical Area. With its concentration of commercial and retail development, the City of Rockwall has long drawn shoppers from surrounding areas. As the national economy began to improve over the last year, Rockwall's local economy benefitted from a mix of new businesses and the renewed success of others. Rockwall saw an increase of 10.4% in our local sales tax revenues. The city has a varied tax base including a mix of residential, commercial and light industrial properties. Total property values rose by 2.1%. The most recent five-year average is 2.7% per annum. During the downturn in the economy growth in the tax base slowed but remained positive each year. The City's largest taxpayers are varied and include retail developments, industry, and medical facilities. Table D-12 in the Statistical Section provides further information on the principal taxpayers. The Rockwall Economic Development Corporation continues to market Rockwall and assist companies looking to locate their business in the City. The year's highlights included:

- Allen Foods, worked with the Rockwall Economic Development Corporation to construct a new 276,000 square foot bakery facility which opened in 2013. In addition, the REDC attracted Hatfield and Company to relocate their 25,000 square foot facility to the Technology Park. The Whitmore Manufacturing Company added 100,000 square foot to their existing Rockwall headquarters facility in 2013 as well. Nolan Power Group constructed a new 25,000 square foot facility in the Rockwall Technology Park.
- Trend Tower changed the horizon line as it grew to seven stories on the hillside above Lake Ray Hubbard. The tower will be home to several corporations and medical offices including the locally owned and fast growing personnel outsourcing firm Trend HR. The building offers the city's first class-A office spaces.
- Texas A&M Commerce announced the opening of a Rockwall campus with classes beginning in January 2013. Since then they have partnered with Collin College to offer their classes within this location in the Rockwall Technology Park. Training partnerships are being developed to educate the area's workforce to meet the demand for careers with area industrial and medical employers.
- The Presbyterian Hospital of Rockwall completed a new stand-alone emergency room facility north of downtown Rockwall to allow easier access for residents in that area. Broadmoor Medical Lodge now provides short-term rehabilitative care and Liberty Heights offers upscale senior living.
- Downtown Rockwall benefits from the attention garnered from Rockwall's being a Texas Main Street City. Local favorite L. Trevino's moved their hometown favorite tex-mex restaurant to downtown and renewed their appeal with area diners. Zanata's, Bin 303 and KE Cellars Winery provide great options for dining downtown. The City has seen a 28.91% increase in sales taxes in the downtown area in the last fiscal year.

## Long-term Planning

The City Council and staff recognize the need for long-range planning. It is the goal of the City government to provide responsible leadership, services, and infrastructure to achieve a safe environment and provide for a high quality of life.

## Financial Policies

The City Council adopted financial policies in 2001 which have guided the City, allowing us to build a strong fund balance, and reinforcing the city's philosophy to budget conservatively for both revenues and expenditures. The general fund reserve policy is reviewed annually and updated most recently in 2009. The policy states the City should maintain no less than 3 months of reserves and will allow reserves in excess of 3.5 months of recurring operating expenditures to be transferred to a capital projects fund to be used to fund future projects. The City has maintained reserves at or above this level for many years. This allows the City to respond to emergencies or downturns while not overburdening the taxpayers. Reserves over the 3.5 month level were available to fund capital projects in 2013 which included the City's participation in the funding of a joint use parking garage facility for the Harbor entertainment area with general fund reserves over the 3.5 month level.

## Budget Overview

The City Manager proposes a balanced budget to the City Council each year by August 1. Public hearings are conducted to receive comments and priorities of the community at large. The City Council must adopt the operating budget and set the City's tax rate for the next year by October 1<sup>st</sup> of each year.

## Planning Projects

Having identified the downtown area as a critical component of our long range plan, the City and business and community leaders work with the City's Texas Main Street Manager to coordinate planning efforts and develop interest in locating business downtown and to bring events to the Square. The Main Street program has afforded opportunities for businesses to qualify for façade restoration grants which are funded by the City and local financial institution Community Bank.

The City worked with a consulting firm to prepare an extensive conceptual plan for Planned Development 32 (PD32) which encompasses 60 acres of undeveloped land inside the City's tax increment financing zone and adjacent to the Harbor development. Having recognized the need to have the conceptual plan ready when the economy improved, the area has benefited from the Trend Tower project as well as a proposed condominium project and heightened interest from DFW area development firms has resulted. The City initiated the zoning process to establish a form based code for the area. The area is ready to see the expansion of the mixed-use concept with retail, restaurants, office and residential spaces.

The Rockwall Economic Development Corporation in conjunction with their Destination 2020 plan has refined the focus and role of their planning committee as well. Their marketing program now includes social media components and targeted marketing aimed at site selectors working with desired industries.

## Capital Improvement Planning

In May 2012, voters approved propositions to provide downtown accessibility projects, roadway rehabilitation and Interstate 30 ramp projects. The City hired design and construction management professionals to work with staff and City Council to develop the vision for the projects and cost estimates to ensure the projects as approved can move forward expeditiously and be completed within budget. Park improvements began in 2013 and will allow for improvements to begin in early 2014 on the Downtown Square. Walkability and accessibility are key components of the project as well as the construction of the San Jacinto plaza which will add an outdoor venue to the area.

## Strategic Planning

Bi-annually the City conducts a Citizen Satisfaction Survey to document our progress meeting the needs of our citizens. The City continues to receive good marks on our biannual survey, and positive feedback from our citizens regarding our progress on adopted goals and strategies as well as areas of interest for future projects.

## Future Development

### Transportation

The majority of the City's main thoroughfares are state facilities. TxDOT continued the project to widen FM740 in southern Rockwall with the grand opening held in December 2012. In 2013, Corporate Crossing, formerly FM549, was widened to provide improved and enhanced access to the City's light industrial area between I-30 and SH276. Design work is underway on the FM3549 overpass project which is expected to get underway in late 2014. FM 3097 – Horizon Road – a heavily traveled roadway in the retail and medical corridor is slated for reconstruction and widening in 2014 as well.

The City is a member of a County-wide Consortium which allows County government officials to work with officials of each of the seven cities in the county to further transportation planning efforts. The Consortium meets monthly to discuss funding alternatives for the County's transportation needs, which also involve planning and state participation. The County's bond initiatives allow funding for the advance planning and design of 5 major roadway projects. This allows the projects to be ready to commence as soon as state funding is allocated for construction. The Consortium looked at potential additions to the plan and reorganization of priorities in 2013 and will further that effort after the upcoming state transportation funding referendum vote.

### Medical Services

The presence of acute care at Presbyterian Hospital of Rockwall, kicked off growth in the medical corridor. Several new medical buildings with Doctor's suites and state of the art out-patient diagnostic imaging facilities have allowed Rockwall to become a regional medical services destination. The Presbyterian Hospital emergency medical facility opened in 2013. Lake Pointe Medical Center is opening an urgent care facility and Baylor is constructing a new surgical center set to open in 2014.

## Retail / Entertainment

“The Harbor” development is situated on the shores of Lake Ray Hubbard at I-30. A public/private partnership provided opportunities for new retailers in the Bella Harbor development as well as public open space and a full-service Hilton Hotel and Conference Center. The Conference Center continues to attract events including numerous corporate training and retreat sessions and expects many which are scheduled for 2014.

In conjunction with private development, the City established a tax increment financing (TIF) zone on an approximately 103 acre tract which allowed the financing and development of public open space to complement the development and allow citizens access to the Lake Ray Hubbard shore line. The City partnered with Rockwall County, and the Rockwall Economic Development Corporation to establish the TIF to finance the public projects. In a second project, the City collaborated with the Trend Tower developer on construction of the seven-story, 85,000 square foot office tower overlooking the lake. Trend Tower will offer Class-A office space to its corporate tenants as it opens in 2014. The City will partner with Trend on use of the parking garage offering much needed public parking for the Harbor events.

The City’s extremely successful Concert on the Lake Series managed by the City’s Recreation Department draws approximately 5,000 attendees each Thursday evening for a free concert. The series extended 13 weeks in 2013. Surveys conducted during the events gather data regarding the distance from which visitors traveled and approximate retail and restaurant dollars expended while here. The term “Live Music Capital of North Texas” has been coined to describe the many opportunities available year round in both public and restaurant venues.

Founder’s Day on the Downtown Square draws visitors to shop merchant’s wares, see artist’s exhibits, learn about city departments and enjoy free concerts all day. The event culminates with a concert by a nationally recognized artist, also free to all who attend.

A Farmer’s Market brings visitors downtown Saturdays from May to October. The annual “Rib Rub and Run” fall 2013 added a car show component this year. The BBQ contest draws more than 50 teams to the downtown square. The Main Street Advisory Board and “Friends of Downtown Rockwall”, citizen volunteer group, are working to plan more special events to bring shoppers downtown. A late evening shopping event is being added once a month to bring shoppers out to enjoy all the area has to offer.

The City has fast become the triathlon destination as well. In addition to several locally sponsored races, the City for the fourth time welcomed the Lifetime Fitness US Open Triathlon in fall 2013. The event saw more than 1,200 participants including a contingent of international Olympians take advantage of our lake access and terrain to complete the final event of the annual seven race series. The City will work with a west coast sports promoter on future Olympic distance triathlon US Open offerings beginning in 2014.

## Utilities

The water and sewer rates were increased in 2013 and the City is implementing a 10% rate increase for 2014. The City purchases treated water as a founding member city of the North Texas Municipal Water District. Construction was completed for the Squabble Creek sewer system which connects to the regional sewer interceptor system in early 2013. A number of main

extension projects continue to be undertaken to provide water and sewer service to annexed areas of the City.

The City's water system is recognized with the Texas Commission on Environmental Quality's "Superior" rating.

The City actively works to acquire the right to serve recently annexed areas which are currently served by wholesale water supply corporations. It remains the City's desire to be the provider for all residents in our city limits. Negotiations with an investor owned utility were completed resulting in the acquisition of their complete private water and sewer system in 2013. This has resulted in increased service levels and significantly decreased rates for a large neighborhood within the city's limits. The package sewer treatment plant associated with this area will be demolished in 2014.

Debt Administration: Two ratios traditionally used to analyze the debt structure of municipalities are presented below. Revenue debt has been excluded since system charges are used to retire the debt.

Outstanding General Obligation Debt at 9-30-13(net of Debt Service)	\$144,856,061
Estimated Population	38,755
G.O. Debt Per Capita	\$2,971
Net G.O. Debt per Assessed Value	3.54%

The City seeks a bond rating update as new debt is issued. The current ratings are shown below:

	<u>General Obligation</u>	<u>Revenue</u>	<u>Sales Tax(REDC)</u>
Standard & Poor's Rating Group	AA+	A-	A-
Moody's Investor Service Inc.	Aa2	Aa3	A1

**AWARDS AND ACKNOWLEDGEMENTS**

Awards:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for each of the last twenty-three consecutive fiscal years. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgement:

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the governing body of the City, preparation of this report would not have been possible.

Sincerely,



Richard R. Crowley  
City Manager



Mary P. Smith, CPA  
Assistant City Manager/  
Director of Finance





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

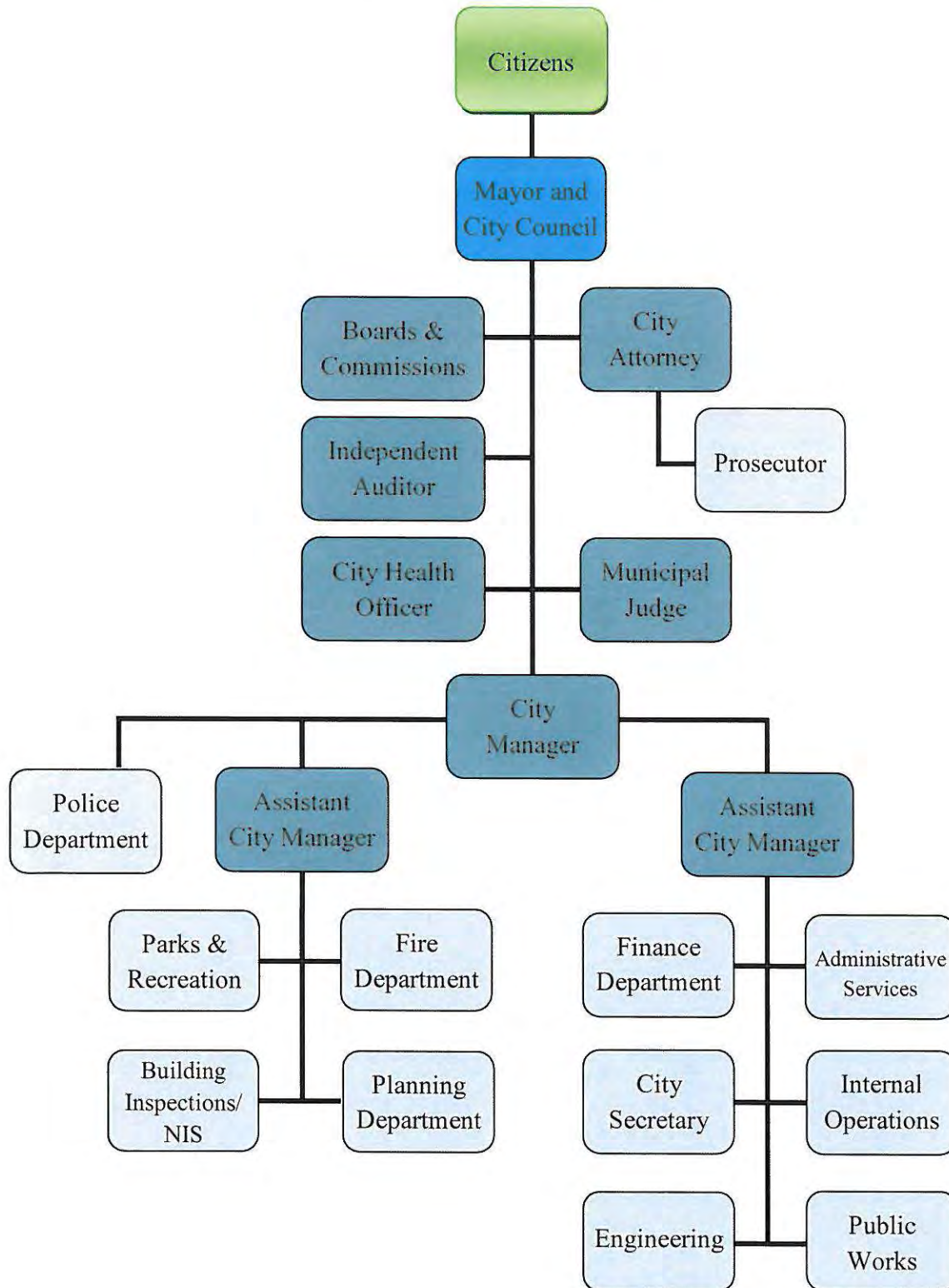
**City of Rockwall  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO

# City of Rockwall Organization Chart



CITY OF ROCKWALL, TEXAS

PRINCIPAL OFFICIALS

September 30, 2013

**City Council**

David Sweet, Mayor  
David White, Mayor Pro-Tempore  
Bennie Daniels, Councilmember  
Dennis Lewis, Councilmember  
Scott Milder, Councilmember  
Jim Pruitt, Councilmember  
Mike Townsend, Councilmember

**City Staff**

Rick Crowley, City Manager  
Mary Smith, Assistant City Manager  
Brad Griggs, Assistant City Manager  
Cheryl Dunlop, Director of Administrative Services  
Mark Moeller, Chief of Police  
Mark Poindexter, Fire Chief  
Robert LaCroix, Director of Planning and Zoning  
Tim Tumulty, Director of Public Works/City Engineer  
Joey Boyd, Director of Internal Operations

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## Financial Section

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INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Rockwall, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units each major fund, and the aggregate remaining fund information of the City of Rockwall, Texas as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rockwall, Texas, as of September 30, 2013, 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.

**Emphasis of Matter**

As discussed in Note V. E. to the financial statements, the City has adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 19–30 and 72 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rockwall, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Arlington, Texas  
March 25, 2014



## Management's Discussion and Analysis

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the City of Rockwall's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2013. Please read it in conjunction with the City's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The City's total net position was \$172,022,525 at September 30, 2013.
- During the year, the City's governmental activities expenses were \$1,461,712 less than the \$43,676,834 generated in program revenues, taxes, other revenues and transfers.
- The assets of the City of Rockwall attributable to governmental activities exceeded its liabilities at the close of the fiscal year ending September 30, 2013 by \$106,151,817 (net position).
- At the end of this fiscal year, the unassigned fund balance for the general fund was \$11,273,469 or approximately 41.18 percent of the total general fund operating expenditures and transfers out.
- The City's total outstanding general obligation bonds and certificates of obligation (excluding enterprise and component unit debt) increased by \$5,261,962 during fiscal year 2013 due to issuance of voter approved bonds. More detailed information is given in the notes section.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements presenting different views of the City:

The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.

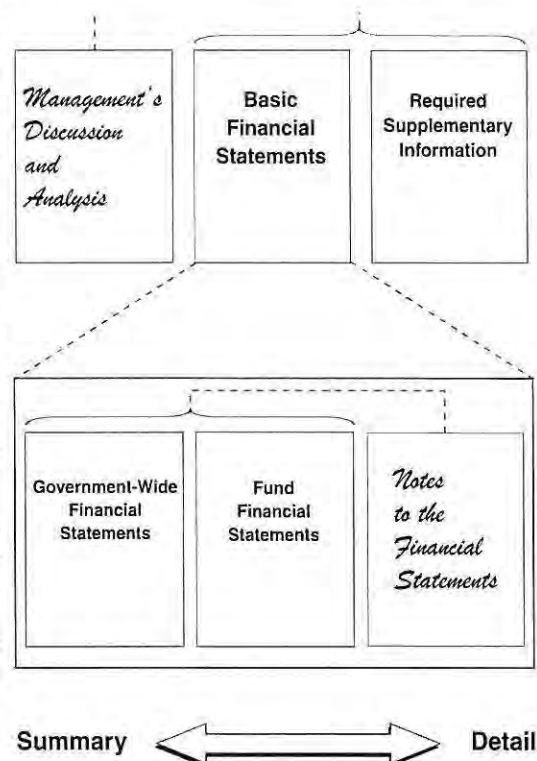
The remaining statements are fund financial statements that focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses.

Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

Figure A-1, Required Components of the City's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements, followed by a section of required supplementary information, further explain and support the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

**Figure A-2. Major Features of the City of Rockwall’s Government-wide and Fund Financial Statements**

<i>Type of Statements</i>	<b>Fund Statements</b>		
	<b>Government-wide</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>
<i>Scope</i>	Entire City government (except fiduciary funds) and the City's component units	Activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private business.
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>◆ Statement of net position</li> <li>◆ Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>◆ Balance Sheet</li> <li>◆ Statement of revenues, expenditures &amp; changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>◆ Statement of net position</li> <li>◆ Statement of revenues, expenses &amp; changes in fund net position</li> <li>◆ Statement of cash flows</li> </ul>
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

### **Government-wide Financial Statements**

The government-wide statements are designed to provide readers with a broad overview of the City of Rockwall’s finances, in a manner similar to private-sector business.

The *statement of net positions* presents information on all of the city of Rockwall’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 condition of the City of Rockwall is improving or deteriorating. The statement of net position combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other non-financial factors should also be taken into consideration, such as changes in the City’s property tax base and the condition of the City’s infrastructure, to assess the overall health or financial condition of the City.

The *statement of activities* presents information showing how the City’s net position changed during the most recent fiscal year. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods; for example uncollected taxes and earned but unused vacation leave. Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting.

In the Statement of Net Position and the Statement of Activities, the City is divided into three kinds of activities:

*Governmental activities* – Most of the City’s basic services are reported here, including administration, police, fire, planning and zoning, finance, parks and recreation, municipal court and engineering. Property taxes, sales taxes, franchise fees and charges for services provide funds for most of the activities.

*Business-type activities* – The City charges fees to customers to help it cover all or most of the cost of certain services it provides. We report the City’s water and sewer system here.

*Component Units* – The City of Rockwall (the primary government) includes two discretely presented component units. The City’s Type A Sales Tax Corporation known as the Rockwall Economic Development Corporation and the Rockwall Technology Park Association. Although legally separate, The City of Rockwall is financially accountable for these component units. The City Council appoints the component unit’s Board of Directors, sets the budget and approves any debt issuance.

The government-wide financial statements are found on pages 33-35 of this report.

## **Reporting the City’s Most Significant Funds**

### Fund Financial Statements

The fund financial statements provide more detailed information about the City’s most significant funds—not the City as a whole. *Funds* are accounting devices the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. However, the City establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has the following types of funds:

*Governmental funds*—Most of the City’s basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps users of the financial statements determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government’s near-term financing decisions. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

The City of Rockwall maintains 22 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General fund, Debt Service fund, and G.O. Bonds Capital Projects fund, which are considered major funds. Data from the other 19 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

*Proprietary funds*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. The City's enterprise funds (a component of proprietary funds) are identical to the business type activities that are reported in the governmental-wide statement but provide more detail and additional information such as cash flows, for proprietary funds. The Internal Service funds (the other component of proprietary funds) are utilized to report activities that provide services for the City's self insurance funds. The Internal Service funds are reported as governmental activities in the government-wide financial statements.

The City of Rockwall maintains an Enterprise Fund to account for water and sewer services provided to the City's retail and wholesale customers. All activities associated with providing such services are accounted for in this fund, including administration, operations, maintenance, debt service, capital improvements, billing and collection. The City's intent is that all costs of providing the services to the general public on a continuing basis are financed through user charges in a manner similar to a private business enterprise.

The City maintains two internal service funds to account for funds accumulated to self-insure for health and workers compensation claims. Individual fund data for each of these business-type funds is provided in the form of combining statements elsewhere in this report.

*Fiduciary funds*—The City is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that - because of a trust arrangement - can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of assets and liabilities of the agency fund. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

*Notes to the financial statements*-The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report presents certain *required supplementary information* concerning the City of Rockwall. This information is required by accounting principles generally accepted in the United States of America.

## CONDENSED GOVERNMENT-WIDE FINANCIAL INFORMATION

At the end of fiscal year 2013, the City's net position (assets exceeding liabilities) totaled \$172,022,525. This analysis focuses on the net position (Table 1) and changes in net position (Table 2).

The largest portion of the City's net position (79.08 percent) reflects its investment in capital assets (i.e., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets, which is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. 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.

Table 1  
Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 37,100,730	\$ 34,910,868	\$ 11,802,419	\$ 13,708,924	\$ 48,903,149	\$ 48,619,792
Capital Assets	<u>191,362,677</u>	<u>187,014,473</u>	<u>94,760,405</u>	<u>91,249,536</u>	<u>286,123,082</u>	<u>278,264,009</u>
Total Assets	<u>228,463,407</u>	<u>221,925,341</u>	<u>106,562,824</u>	<u>104,958,460</u>	<u>335,026,231</u>	<u>326,883,801</u>
Deferred Outflows	<u>115,869</u>	<u>-</u>	<u>277,500</u>	<u>-</u>	<u>393,369</u>	<u>-</u>
Non-current liabilities	117,496,526	111,946,918	38,886,878	36,974,865	156,383,404	148,921,783
Other liabilities	<u>4,930,933</u>	<u>3,763,858</u>	<u>2,061,060</u>	<u>2,488,160</u>	<u>6,991,993</u>	<u>6,252,018</u>
Total Liabilities	<u>122,427,459</u>	<u>115,710,776</u>	<u>40,947,938</u>	<u>39,463,025</u>	<u>163,375,397</u>	<u>155,173,801</u>
Deferred Inflows	<u>21,678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,678</u>	<u>-</u>
Net Position						
Invested in capital assets, net of related debt	89,523,344	89,851,392	60,558,579	58,888,435	150,081,923	148,739,827
Restricted for debt service	1,165,704	1,574,681	658,326	2,306,207	1,824,030	3,880,888
Restricted for capital projects	1,187,719	1,466,924	1,466,924	-	2,654,643	1,466,924
Unrestricted	<u>14,253,372</u>	<u>238,981</u>	<u>3,208,557</u>	<u>4,300,793</u>	<u>17,461,929</u>	<u>4,539,774</u>
Total net position	<u>\$ 106,130,139</u>	<u>\$ 93,131,978</u>	<u>\$ 65,892,386</u>	<u>\$ 65,495,435</u>	<u>\$ 172,022,525</u>	<u>\$ 158,627,413</u>

An additional portion of the City of Rockwall's governmental activities net position, \$1,165,704 or 1.10% represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position, \$14,253,372, may be used to meet the government's ongoing obligations to citizens and creditors.

The following table will document key elements of the increase in total net position for the year ended September 30, 2013.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
<b>Program revenues:</b>						
Charges for services	\$ 3,462,858	\$ 3,582,160	\$ 15,118,907	\$ 14,064,514	\$ 18,581,765	\$ 17,646,674
Operating grants & contributions	358,808	660,140	-	-	358,808	660,140
Capital grants & contributions	3,411,221	2,012,936	3,426,328	1,178,672	6,837,549	3,191,608
<b>General Revenues:</b>						
Property taxes	17,870,887	17,321,016	-	-	17,870,887	17,321,016
Sales taxes	14,045,093	12,720,023	-	-	14,045,093	12,720,023
Other	3,310,417	3,613,020	180,858	139,212	3,491,275	3,752,232
<b>Total revenues</b>	<b>42,459,284</b>	<b>39,909,295</b>	<b>18,726,093</b>	<b>15,382,398</b>	<b>61,185,377</b>	<b>55,291,693</b>
<b>Program expenses:</b>						
Mayor/Council	102,993	106,959	-	-	102,993	106,959
Administration	7,565,249	7,631,175	-	-	7,565,249	7,631,175
Finance	951,808	1,360,201	-	-	951,808	1,360,201
Municipal Court	357,208	358,745	-	-	357,208	358,745
Police	9,441,521	8,836,213	-	-	9,441,521	8,836,213
Fire	3,172,688	3,002,941	-	-	3,172,688	3,002,941
Public works	8,651,550	8,398,043	-	-	8,651,550	8,398,043
Community development	2,432,153	1,185,114	-	-	2,432,153	1,185,114
Parks and recreation	4,825,050	6,003,610	-	-	4,825,050	6,003,610
Interest on long-term debt	4,714,902	4,571,498	-	-	4,714,902	4,571,498
Water and sewer	-	-	16,723,552	15,519,759	16,723,552	15,519,759
<b>Total expenses</b>	<b>42,215,122</b>	<b>41,454,499</b>	<b>16,723,552</b>	<b>15,519,759</b>	<b>58,938,674</b>	<b>56,974,258</b>
<b>Increase (decrease) in net position</b>						
before transfers	244,162	(1,545,204)	2,002,541	(137,361)	2,246,703	(1,682,565)
Transfers	1,217,550	1,594,950	(1,217,550)	(1,594,950)	-	-
<b>Increase (decrease) in net position</b>	<b>1,461,712</b>	<b>49,746</b>	<b>784,991</b>	<b>(1,732,311)</b>	<b>2,246,703</b>	<b>(1,682,565)</b>
Net position, October 1	104,668,427	104,618,680	65,107,395	66,839,706	169,775,822	171,458,386
<b>Net position, September 30</b>	<b>\$ 106,130,139</b>	<b>\$ 104,668,426</b>	<b>\$ 65,892,386</b>	<b>\$ 65,107,395</b>	<b>\$ 172,022,525</b>	<b>\$ 169,775,821</b>

### Governmental Activities

The City's total revenues of governmental activities were \$42,459,284. A significant portion 42.1%, of the City's revenues came from property taxes. Another 33.1% of revenue came from sales taxes. Ad valorem property tax revenues as a percent of revenues continue to increase each year due to the addition of new properties and minor increases in assessed valuation throughout the City. Total assessed values of the properties in the City increased by 2.1%. The City adopted a property tax rate of 50.25 cents per \$100 of assessed valuation for fiscal year 2013. Growth in the assessed valuation and conservative budgets allowed the City to lower the rate for fiscal year 2013 by .06 cents per hundred dollars of assessed valuation. Sales tax revenue increased over the prior year by 10.42% and while a minor amount of new retail was added for 2013, it was most influenced by increases in same stores sales. While housing starts are not expected to return to pre-downturn levels, they are trending



Water and sewer impact fees (Capital recovery fees) revenue totaled \$797,203 for the fiscal year. Impact fees, paid by developers, are designed to reduce the system's initial costs in building assets. Residential development is assessed an impact fee at the building permit stage while commercial projects are assessed at the beginning of site development.

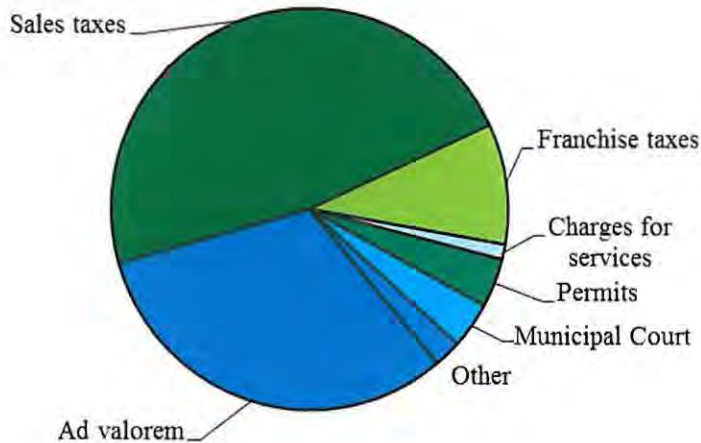
**Component Units**

The Rockwall Economic Development Corporation (REDC) reported revenues including the ½ cent sales tax, authorized under the Type A Corporation statutes, of \$4,528,427. Assets managed by the corporation include an inventory of over 325 acres of land, zoned for light industrial uses and available for sale. The REDC continues to attract companies to the City through its marketing efforts and ability to match businesses to available land.

**ANALYSIS OF INDIVIDUAL FUNDS**

The City's *General Fund* reported an ending unassigned fund balance of \$11,273,469. The largest source of general fund revenue is sales tax, it accounted for \$13,439,088 (47.5%) of total general fund revenue. Ad valorem property taxes account for \$8,988,016 (31.7%) of general fund revenues. The City maintains the unassigned fund balance at or above acceptable levels as defined within the City's financial policies. This "reserve" balance allows the City Council to elect to fund projects unforeseen during the budgeting process and provides a measure of security against changes in the economy and the timing of cash flows. The City Council elected to use reserves to fund a portion of a shared use parking garage facility adjacent to the Harbor entertainment area. This planned use of reserves totaled \$1,244,000. The City's revenues increased sufficiently during the year to see the general fund balance increase by \$1,358,022 or 13.7%.

**Revenues by Source – General Fund**



The City's *Debt Service Fund* reported a reduction in fund balance of \$449,156. Property tax collections for debt service requirements were \$8,243,186. This is required in order to pay debt service payments on bonds issued to construct numerous road and parks projects completed since the City's bond election in 2005 authorized more than \$65,031,000 in projects. After extensive study, the City adopted a Roadway Impact Fee, which provided \$444,282 in new revenue to this fund in fiscal year 2012. The City Council chooses to budget a portion of this fund balance each year toward

meeting the debt service obligations. This allows the use of the debt service fund reserves to lessen the effect of new debt issues on the property tax rate each year.

The *G.O. Bonds Capital Projects Fund* reported an assigned fund balance of \$10,987,799, an increase of \$3,042,465 from the prior year. General Obligation bonds were issued in 2013 to fund the downtown improvement project and to begin the design of access ramp improvements on IH-30.

## GENERAL FUND BUDGETARY HIGHLIGHTS

During fiscal year 2013, the City Council of the City of Rockwall amended the budget to provide funding for several unforeseen projects and to recognize salary savings over the year, as well as increases or decreases in revenues when compared to original projections. With the adjustments made to the budget, the original budgeted expenditures of \$24,927,150 decreased to \$24,797,450 while revenue estimates increased from \$26,290,750 to \$27,977,450. The City of Rockwall had originally estimated the ending general fund unassigned balance to be \$9,502,961 however due to the budget adjustments mentioned above and the planned reduction in fund balance for municipal court and police department office space remodels, the fund balance was re-estimated to be \$10,110,361.

General fund revenues were \$28,311,800, a positive variance of \$344,350 over the amended budget estimate, reflecting stronger than anticipated sales tax collections and cable franchise fees in the remaining months of the fiscal year. Actual general fund total expenditures were \$23,986,178 or \$811,272 less than final projections. Final expenditures in each department were less than anticipated with no negative variances reported. The City ended the year with a fund balance of \$11,275,983, or \$1,165,622 over the projected balance. The higher fund balance is attributable to management's conservative projections of both revenues and expenditures.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal year 2013 the City had \$286,123,082 (Table 3) invested in a broad range of capital assets, including buildings, parks facilities, roads, police and fire equipment and water and sewer lines. The balances shown below are net of accumulated depreciation.

**Table 3**  
**Capital Assets at Year-End**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Land	\$ 14,377,674	\$ 14,102,412	\$ 799,533	\$ 799,533	\$ 15,177,207	\$ 14,901,945
Buildings & systems	14,598,734	13,608,864	92,821,925	82,013,525	107,420,659	95,622,389
Improvements other than buildings	19,713,476	20,229,910	-	-	19,713,476	20,229,910
Machinery & equipment	6,335,672	4,627,960	788,904	1,175,931	7,124,576	5,803,891
Infrastructure	128,444,647	124,498,981	-	-	128,444,647	124,498,981
Construction in progress	<u>7,892,474</u>	<u>9,946,346</u>	<u>350,043</u>	<u>7,260,547</u>	<u>8,242,517</u>	<u>17,206,893</u>
	<u>\$ 191,362,677</u>	<u>\$187,014,473</u>	<u>\$ 94,760,405</u>	<u>\$ 91,249,536</u>	<u>\$286,123,082</u>	<u>\$278,264,009</u>

The City held a bond election in May 2012 at which voters approved propositions to fund several street reconstruction projects as well as infrastructure and accessibility projects in the downtown area in excess of \$27,800,000. Design was completed and the first phases of parking lot construction got underway on the downtown improvements. The interstate ramp projects approved by voters will be

under design in 2014 and design of the remaining roadway rehabilitation projects in 2015. In addition, infrastructure is being constructed within the Harbor hillside area.

Notably, the construction in progress at fiscal year end for business-type funds reflects the completion of a project to connect the Squabble Creek wastewater treatment plan to the regional wastewater interceptor project. Construction was completed and the line was put into service in 2013. Several projects to extend and improve service were being designed in 2013 with construction to begin in 2014.

Additional information regarding the City’s capital assets is found in note IV-D on pages 56-58.

Debt

At year end, the City had \$153,483,155 in bonds and capitalized leases shown in Table 4.

**Table 4  
City of Rockwall Outstanding Debt**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
General obligation bonds	\$ 88,562,670	\$ 84,675,708	\$ 47,330	\$ 69,292	\$ 88,610,000	\$ 84,745,000
Certificates of obligation	25,440,000	24,065,000	29,510,000	27,145,000	54,950,000	51,210,000
Revenue bonds	-	-	3,865,000	4,550,000	3,865,000	4,550,000
Capital Lease obligations	<u>148,083</u>	<u>193,299</u>	<u>5,910,072</u>	<u>6,321,743</u>	<u>6,058,155</u>	<u>6,515,042</u>
	<u>\$ 114,150,753</u>	<u>\$ 108,934,007</u>	<u>\$ 39,332,402</u>	<u>\$ 38,086,035</u>	<u>\$ 153,483,155</u>	<u>\$ 147,020,042</u>

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of net tax-supported bonded debt to assessed value of all taxable property is 3.54% or \$2,922 per capita. This is an increase from the prior year with the addition of new bonds for the voter-approved projects underway.

The City’s bond ratings at September 30, 2013 were as follows:

	<u>General Obligation</u>	<u>Revenue</u>	<u>Sales Tax(REDC)</u>
Standard & Poor’s Rating Group	AA+	A-	A-
Moody’s Investor Service Inc.	Aa2	Aa3	A1

Additional information on the City of Rockwall’s long-term debt may be found in note IV-F, on pages 58-65 of this report.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The City’s elected and appointed officials considered many factors when setting the fiscal year 2014 budget, tax rate, and fees that will be charged for the business-type activities. The major

factor affecting all decisions is the changing economy within the framework of the national economic recovery. Rockwall saw a small number of new commercial/retail business openings in 2013, which while expected to positively impact sales tax revenues in fiscal year 2014 is not expected to result in the larger sales tax growth seen in the previous two budgets. With the City's conservative budget philosophy, sales tax projections were increased by only 2%. Increases are expected in construction related activity as new subdivision phases are beginning and housing sales are improving. Interviews with local builders led the City to project continued improvement in home starts for the coming year.

The City of Rockwall's citizens enjoy above-average income levels per household. This combined with the City's proximity to major highways, and the Dallas-Ft.Worth SMSA make Rockwall an attractive city in which to locate. The City prides itself on a quality school district and "hometown" atmosphere. The Rockwall Economic Development Corporation works to attract businesses with relocation incentives as well as business retention incentives such as workforce training opportunities. The City's unemployment rate was 5.3%, well below the national levels.

The City of Rockwall considered these factors when adopting the General Fund budget for fiscal year 2014. The budgeted revenues for fiscal year 2014 total \$27,815,350 for the general fund. Ad valorem tax revenue is determined by two factors, the total assessed value established by the Rockwall Central Appraisal District and the tax rate established by the Rockwall City Council. The property tax rate remained at 50.25 cents per hundred dollars of assessed value.

The City adopted written financial policies in 2001 which require that revenues and expenditures be projected conservatively. The policies include debt level guidelines. These policies were reviewed by the City Council in 2009 and certain provisions related to the City's fund balance were changed. The amended policy provides that the General Fund reserves should be no less than 3 months of recurring operating appropriations. In addition, the policies provide that should an audited fund balance at the end of the fiscal year exceed 3.5 months, the City Council may elect to transfer a portion to a Capital Projects Fund. The ending general fund balance for 2013 provides approximately 5 months of reserves for the City. The City Council elected to purchase capital equipment normally financed with short-term debt obligations due in large part to the healthy fund balance. The budget as adopted for fiscal year 2014 projects a fund balance of approximately 4.25 months of recurring operating expenditures. The 2014 budget reflects increased funding for street maintenance projects, dock repairs at the Harbor and the purchase of new handheld citation writers from reserves.

The 2014 budget expenditures include the addition of police communication center employees, as neighboring City of Fate becomes a customer of our communication center and the addition of an athletic program coordinator position as the City establishes the new Rockwall Baseball Softball League. The City continues to transition the Fire Department from predominately volunteer to a combined department and the new budget will include the addition of two new Fire Driver positions.

The water and sewer rate study has been updated to reflect increased charges from the North Texas Municipal Water District for treated water and the budget anticipates a 10% increase in those rates. A number of capital projects to replace older lines and to provide service to new areas are being designed for construction in fiscal year 2014. The City's revenues will continue to be impacted by mandatory conservation measures in effect, as the drought persists. System revenues will continue to be affected until lake levels improve and conservation measures are lifted. Operational costs will be closely monitored and controlled to be ready to react to any further reduction in available revenues.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances. For more information contact the City's Assistant City Manager/Director of Finance, Mary Smith at (972) 771-7701; City of Rockwall; 385 South Goliad Street, Rockwall TX 75087. Email [msmith@rockwall.com](mailto:msmith@rockwall.com).

## Basic Financial Statements

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## CITY OF ROCKWALL, TEXAS

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,422,742	\$ 196,159	\$ 2,618,901	\$ 50,576
Investments	30,187,222	741,728	30,928,950	12,995,178
Receivables (net of allowances for uncollectibles)	2,341,424	2,302,651	4,644,075	97,388
Due from other governments	2,122,649	--	2,122,649	707,550
Inventories	26,693	211,047	237,740	15,653,772
Deposits	--	--	--	43,474
Restricted assets:				
Cash and cash equivalents	--	1,048,931	1,048,931	--
Investments	--	7,294,284	7,294,284	--
Accrued interest	--	7,619	7,619	--
Capital assets (net of accumulated depreciation)				
Land	14,377,674	799,533	15,177,207	--
Buildings and system	14,598,734	92,821,925	107,420,659	--
Improvements other than buildings	19,713,476	--	19,713,476	--
Machinery and equipment	6,335,672	788,904	7,124,576	43,954
Infrastructure	128,444,647	--	128,444,647	--
Construction in progress	7,892,474	350,043	8,242,517	--
Total Assets	<u>228,463,407</u>	<u>106,562,824</u>	<u>335,026,231</u>	<u>29,591,892</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred bond issue cost - insurance	11,391	--	11,391	11,392
Deferred charge on refunding	104,478	277,500	381,978	39,102
Total Deferred Outflows of Resources	<u>115,869</u>	<u>277,500</u>	<u>393,369</u>	<u>50,494</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	4,679,785	952,065	5,631,850	490,307
Due to other governments	251,148	--	251,148	--
Customer deposits	--	313,990	313,990	--
Liabilities payable from restricted assets:				
Noncurrent liabilities:				
Due within one year	7,126,423	2,469,814	9,596,237	1,828,331
Due in more than one year	110,370,103	37,212,069	147,582,172	26,605,346
Total Liabilities	<u>122,427,459</u>	<u>40,947,938</u>	<u>163,375,397</u>	<u>28,923,984</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-other	21,678	--	21,678	--
Total Deferred Inflows of Resources	<u>21,678</u>	<u>--</u>	<u>21,678</u>	<u>--</u>
<b>NET POSITION</b>				
Net investment in capital assets	89,523,344	60,558,579	150,081,923	43,954
Restricted For:				
Debt service	1,165,704	658,326	1,824,030	--
Capital projects	1,187,719	1,466,924	2,654,643	--
Unrestricted	14,253,372	3,208,557	17,461,929	674,448
Total Net Position	<u>\$ 106,130,139</u>	<u>\$ 65,892,386</u>	<u>\$ 172,022,525</u>	<u>\$ 718,402</u>

The accompanying notes are an integral part of this statement.



**CITY OF ROCKWALL, TEXAS**  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental Activities:				
Mayor/Council	\$ 102,993	\$ --	\$ --	\$ --
Administration	7,565,249	144,351	47,858	2,430
Finance	951,808	--	--	--
Municipal court	357,208	967,113	--	--
Police	9,441,521	488,631	204,210	--
Fire	3,172,688	114,845	96,740	--
Public works	8,651,550	162,374	--	3,376,291
Community development	2,432,153	1,163,945	10,000	--
Parks and recreation	4,825,050	421,599	--	32,500
Interest on long-term debt	4,714,902	--	--	--
Total Governmental Activities	<u>42,215,122</u>	<u>3,462,858</u>	<u>358,808</u>	<u>3,411,221</u>
Business-type Activities:				
Water and Sewer	16,723,552	15,118,907	--	3,426,327
Total Business-type Activities	<u>16,723,552</u>	<u>15,118,907</u>	<u>--</u>	<u>3,426,327</u>
Total Primary Government	<u>\$ 58,938,674</u>	<u>\$ 18,581,765</u>	<u>\$ 358,808</u>	<u>\$ 6,837,548</u>
<b>COMPONENT UNITS:</b>				
Economic Development Corporation	\$ 3,215,944	\$ --	\$ --	\$ 77,129
Rockwall Technology Park Association	147,379	157,401	--	--
Total Component Units	<u>\$ 3,363,323</u>	<u>\$ 157,401</u>	<u>\$ --</u>	<u>\$ 77,129</u>

General Revenues:  
 Ad valorem taxes, penalty and interest  
 Sales Taxes  
 Franchise Taxes  
 Miscellaneous  
 Unrestricted Investment Earnings  
 Transfers  
 Total General Revenues and Transfers  
 Change in Net Position  
 Net Position - Beginning  
 Net Position - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (102,993)		\$ (102,993)	
(7,370,610)		(7,370,610)	
(951,808)		(951,808)	
609,905		609,905	
(8,748,680)		(8,748,680)	
(2,961,103)		(2,961,103)	
(5,112,885)		(5,112,885)	
(1,258,208)		(1,258,208)	
(4,370,951)		(4,370,951)	
(4,714,902)		(4,714,902)	
<u>(34,982,235)</u>		<u>(34,982,235)</u>	
--	\$ 1,821,682	1,821,682	
--	1,821,682	1,821,682	
<u>(34,982,235)</u>	<u>1,821,682</u>	<u>(33,160,553)</u>	
			\$ (3,138,815)
			10,022
			<u>(3,128,793)</u>
17,870,887	--	17,870,887	--
14,045,093	--	14,045,093	4,528,427
2,743,839	--	2,743,839	160,000
588,236	177,274	765,510	314,511
(21,658)	3,585	(18,073)	2,917
<u>1,217,550</u>	<u>(1,217,550)</u>	<u>--</u>	<u>--</u>
<u>36,443,947</u>	<u>(1,036,691)</u>	<u>35,407,256</u>	<u>5,005,855</u>
1,461,712	784,991	2,246,703	1,877,062
104,668,427	65,107,395	169,775,822	(1,158,660)
<u>\$ 106,130,139</u>	<u>\$ 65,892,386</u>	<u>\$ 172,022,525</u>	<u>\$ 718,402</u>

**CITY OF ROCKWALL, TEXAS**  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013

	General Fund	Debt Service Fund
<b>ASSETS</b>		
Cash and cash equivalents	\$ 132,801	\$ --
Investments	10,723,594	1,031,971
Receivables (net of allowances for uncollectibles):		
Taxes - delinquent	204,671	197,466
Fines	284,052	--
Accrued interest	5,440	--
Accounts receivable	78,867	9,659
Assessments receivable	--	--
Other receivables	170,182	--
Due from other funds	284,836	--
Due from other governments	2,068,893	--
Inventory	2,514	--
Total Assets	<u>\$ 13,955,850</u>	<u>\$ 1,239,096</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 1,918,524	\$ 3,500
Due to other funds	--	281,044
Due to other governments	251,148	--
Total Liabilities	<u>2,169,672</u>	<u>284,544</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue-property taxes	188,521	182,507
Unavailable revenue-fines	161,672	--
Unavailable revenue-other	160,002	--
Total deferred inflows of resources	<u>510,195</u>	<u>182,507</u>
<b>Fund balances:</b>		
Nonspendable	2,514	--
Restricted	--	772,045
Committed	--	--
Assigned	--	--
Unassigned	11,273,469	--
Total fund balances	<u>11,275,983</u>	<u>772,045</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 13,955,850</u>	 <u>\$ 1,239,096</u>

The accompanying notes are an integral part of this statement.

G.O. Bonds Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 295,205	\$ 1,826,316	\$ 2,254,322
10,815,033	6,839,286	29,409,884
--	9,337	411,474
--	--	284,052
11,563	4,486	21,489
22,584	162,864	273,974
--	83,951	83,951
--	--	170,182
--	70,001	354,837
--	53,756	2,122,649
--	24,179	26,693
<u>\$ 11,144,385</u>	<u>\$ 9,074,176</u>	<u>\$ 35,413,507</u>
\$ 156,586	\$ 1,035,912	\$ 3,114,522
--	73,793	354,837
--	--	251,148
<u>156,586</u>	<u>1,109,705</u>	<u>3,720,507</u>
--	9,337	380,365
--	--	161,672
--	105,630	265,632
<u>--</u>	<u>114,967</u>	<u>807,669</u>
--	--	2,514
--	328,435	1,100,480
--	2,973,086	2,973,086
10,987,799	4,547,983	15,535,782
--	--	11,273,469
<u>10,987,799</u>	<u>7,849,504</u>	<u>30,885,331</u>
<u>\$ 11,144,385</u>	<u>\$ 9,074,176</u>	<u>\$ 35,413,507</u>

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**CITY OF ROCKWALL, TEXAS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013

Total fund balances - governmental funds balance sheet	\$ 30,885,331
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	191,362,677
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	380,365
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	365,410
Payables for bond principal which are not due in the current period are not reported in the funds.	(116,039,316)
Payables for capital leases which are not due in the current period are not reported in the funds.	(148,083)
Payables for bond interest which are not due in the current period are not reported in the funds.	(801,771)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(1,309,128)
Deferred outflows of resources are not available to pay for current period expenditures and are deferred in the funds.	115,870
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	161,672
Franchise taxes receivable unavailable to pay for current period expenditures are not accrued in the funds.	913,155
Ambulance receivables unavailable to pay for current period expenditures are deferred in the funds.	160,002
Assessments receivable unavailable to pay for current period expenditures are deferred in the funds.	83,955
Net position of governmental activities - Statement of Net Position	<u>\$ 106,130,139</u>

The accompanying notes are an integral part of this statement.

**CITY OF ROCKWALL, TEXAS**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	General Fund	Debt Service Fund
Revenues:		
Ad valorem taxes, penalty and interest	\$ 8,988,016	\$ 8,243,186
Sales taxes	13,439,088	--
Franchise taxes	2,748,707	--
Charges for services	344,383	--
Permits	1,119,438	--
Municipal court	1,050,955	--
Intergovernmental	399,890	--
Interest income	73,220	(110)
Miscellaneous	148,103	444,282
Donations	--	--
Total revenues	<u>28,311,800</u>	<u>8,687,358</u>
Expenditures:		
Current:		
Mayor/Council	102,995	--
Administration	3,544,762	--
Finance	621,638	--
Municipal court	349,536	--
Police	8,682,793	112,645
Fire	2,376,460	--
Public works	2,153,427	--
Community development	1,139,859	--
Parks and recreation	4,754,308	--
Total current	<u>23,725,778</u>	<u>112,645</u>
Capital outlay:		
Administration	169,805	--
Finance	--	--
Municipal court	--	--
Police	12,210	--
Fire	63,881	--
Parks and recreation	14,504	--
Total capital outlay	<u>260,400</u>	<u>--</u>
Debt service:		
Principal	--	4,998,038
Interest	--	3,979,531
Fiscal charges	--	10,500
Bond issuance cost	--	--
Total debt service:	<u>--</u>	<u>8,988,069</u>
Total expenditures	<u>23,986,178</u>	<u>9,100,714</u>
Excess (deficiency) of revenues over (under) expenditures	4,325,622	(413,356)
Other financing sources (uses):		
Transfers in	681,100	--
Transfers out	(3,648,700)	(35,800)
Issuance of long-term debt	--	--
Premium on bonds issued	--	--
Discount on bonds issued	--	--
Total other financing sources (uses)	<u>(2,967,600)</u>	<u>(35,800)</u>
Net change in fund balances	1,358,022	(449,156)
Fund balances, October 1	9,917,961	1,221,201
Fund balances, September 30	<u>\$ 11,275,983</u>	<u>\$ 772,045</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

G.O. Bonds Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 659,233	\$ 17,890,435
--	606,005	14,045,093
--	--	2,748,707
--	704,751	1,049,134
--	--	1,119,438
--	--	1,050,955
--	40,360	440,250
4,178	(98,948)	(21,660)
--	202,919	795,304
--	44,929	44,929
<u>4,178</u>	<u>2,159,249</u>	<u>39,162,585</u>
--	--	102,995
--	276,993	3,821,755
--	302,777	924,415
--	--	349,536
--	52,217	8,847,655
--	7,372	2,383,832
--	--	2,153,427
--	--	1,139,859
--	138,148	4,892,456
<u>--</u>	<u>777,507</u>	<u>24,615,930</u>
4,515,392	3,746,699	8,431,896
--	124,302	124,302
--	205,947	205,947
--	155,377	167,587
--	2,103,899	2,167,780
--	51,030	65,534
<u>4,515,392</u>	<u>6,387,254</u>	<u>11,163,046</u>
--	270,000	5,268,038
--	634,256	4,613,787
--	--	10,500
70,908	19,707	90,615
<u>70,908</u>	<u>923,963</u>	<u>9,982,940</u>
4,586,300	8,088,724	45,761,916
(4,582,122)	(5,929,475)	(6,599,331)
--	1,596,450	2,277,550
(451,500)	(79,000)	(4,215,000)
7,905,000	2,625,000	10,530,000
216,914	64,806	281,720
(45,827)	(14,476)	(60,303)
<u>7,624,587</u>	<u>4,192,780</u>	<u>8,813,967</u>
3,042,465	(1,736,695)	2,214,636
7,945,334	9,586,199	28,670,695
<u>\$ 10,987,799</u>	<u>\$ 7,849,504</u>	<u>\$ 30,885,331</u>



**CITY OF ROCKWALL, TEXAS**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Net change in fund balances - total governmental funds	\$ 2,214,636
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	10,775,472
The depreciation of capital assets used in governmental activities is not reported in the funds.	(9,823,899)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(14,294)
Donations of capital assets increase net position in the SOA but not in the funds.	3,376,291
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(19,547)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	5,268,038
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	45,216
(Increase) decrease in accrued interest from beginning of period to end of period.	63,124
The net revenue (expense) of internal service funds is reported with governmental activities.	478,190
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(90,051)
Certain fine revenues are deferred in the funds. This is the change in these amounts this year.	(29,354)
Certain assessment revenues are deferred in the funds. This is the change in these amounts this year.	3,292
Revenues in the SOA for franchise taxes not providing current financial resources are not reported in the funds.	(4,868)
Proceeds of long-term debt is recognized as other financial resources in the funds but not revenue in the SOA.	(10,530,000)
Bond premiums are reported in the funds but not in the SOA.	(281,720)
Bond discounts are reported in the funds but not in the SOA.	60,303
Certain contract revenues are deferred in the funds. This is the change in these amounts this year.	(29,117)
Change in net position of governmental activities - Statement of Activities	<u>\$ 1,461,712</u>

The accompanying notes are an integral part of this statement.

## CITY OF ROCKWALL, TEXAS

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2013

	Enterprise Fund Water and Sewer Fund	Internal Service Funds
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 196,159	\$ 168,417
Investments	741,728	777,338
Accounts receivable (net of allowance)	2,302,651	--
Other receivables	--	183,147
Inventory	211,047	--
Restricted assets:		
Cash and cash equivalents	1,048,931	--
Investments	7,294,284	--
Accrued interest	7,619	--
Total current assets	<u>11,802,419</u>	<u>1,128,902</u>
Noncurrent assets:		
Capital assets not being depreciated	1,149,576	--
Capital assets being depreciated, net	93,610,829	--
Total noncurrent assets	<u>94,760,405</u>	<u>--</u>
Total Assets	<u>106,562,824</u>	<u>1,128,902</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Deferred bond issue cost - insurance	--	--
Deferred charge on refunding	277,500	--
Total Deferred Outflow of Resources	<u>277,500</u>	<u>--</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	856,448	763,492
Customer deposits	313,990	--
General obligation bonds - current	1,631,962	--
Liabilities Payable From Restricted Assets:		
Revenue bonds payable - current	370,000	--
Obligations under capital leases - current	425,005	--
Accrued interest payable	95,617	--
Total current liabilities	<u>3,693,022</u>	<u>763,492</u>
Noncurrent Liabilities:		
General obligation bonds payable	27,925,368	--
Revenue bonds payable	3,730,920	--
Obligations under capital leases payable	5,485,067	--
Liability for compensated absences	113,561	--
Total noncurrent liabilities	<u>37,254,916</u>	<u>--</u>
Total Liabilities	<u>40,947,938</u>	<u>763,492</u>
<b>NET POSITION</b>		
Net investment in capital assets	60,558,579	--
Restricted for debt service	658,326	--
Restricted for construction	1,466,924	--
Unrestricted	3,208,557	365,410
Total Net Position	<u>\$ 65,892,386</u>	<u>\$ 365,410</u>

The accompanying notes are an integral part of this statement.

**CITY OF ROCKWALL, TEXAS**STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Enterprise Fund Water and Sewer Fund	Internal Service Funds
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 15,118,907	\$ 959,454
Total Operating Revenues	<u>15,118,907</u>	<u>959,454</u>
<b>OPERATING EXPENSES:</b>		
Personnel services	1,870,744	--
Contractual services	8,936,999	3,660,406
Materials and supplies	468,436	--
Operations	203,809	--
Utilities	405,969	--
Depreciation and amortization	2,886,473	--
Total Operating Expenses	<u>14,772,430</u>	<u>3,660,406</u>
Operating Income (Loss)	<u>346,477</u>	<u>(2,700,952)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Interest income	3,585	(453)
Miscellaneous income	177,274	24,595
Paying agent fees	(35,061)	--
Interest expense	(1,916,061)	--
Total Non-operating Revenues (Expenses)	<u>(1,770,263)</u>	<u>24,142</u>
Net Income (Loss) before Operating Transfers and Capital Contributions	<u>(1,423,786)</u>	<u>(2,676,810)</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS:</b>		
Capital contributions	3,426,327	--
Transfers in	451,500	3,155,000
Transfers from component unit	--	--
Transfers out	(1,669,050)	--
Total Transfers and Capital Contributions	<u>2,208,777</u>	<u>3,155,000</u>
Change in net position	784,991	478,190
Net position, October 1	65,107,395	(112,780)
Net position, September 30	<u>\$ 65,892,386</u>	<u>\$ 365,410</u>

## CITY OF ROCKWALL, TEXAS

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2013

	Business Type Activities Enterprise Water and Sewer Fund	Governmental Activities Internal Service Funds
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Customers	\$ 15,715,650	\$ 894,881
Cash Payments to Employees for Services	(1,870,518)	--
Cash Payments to Other Suppliers for Goods and Services	(9,798,548)	(3,326,424)
Net Cash Provided (Used) by Operating Activities	<u>4,046,584</u>	<u>(2,431,543)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>		
Cash Paid to Other Funds	(1,669,050)	(407,769)
Cash Received From Other Funds	451,500	3,155,000
Net Cash Provided (Used) by Non-capital Financing Activities	<u>(1,217,550)</u>	<u>2,747,231</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Proceeds from capital debt	3,480,000	--
Principal and Interest Paid	(4,042,864)	--
Capital recovery fees received	797,203	--
Acquisition or Construction of Capital Assets	(3,768,217)	--
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(3,533,878)</u>	<u>--</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of Investment Securities	(120,000)	(50,364)
Proceeds from Sale and Maturities of Securities	650,826	20,572
Interest and Dividends on Investments	3,584	(453)
Net Cash Provided (Used) for Investing Activities	<u>534,410</u>	<u>(30,245)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(170,434)	285,443
Cash and Cash Equivalents at Beginning of Year	8,351,112	553,865
Cash and Cash Equivalents at End of Year	8,180,678	839,308
<b>Cash Equivalents Included in Investments</b>	<u>(6,935,588)</u>	<u>(670,891)</u>
Net Cash and Cash Equivalents	<u>\$ 1,245,090</u>	<u>\$ 168,417</u>
<b>Reported on Statement of Net Position</b>		
Unrestricted cash	\$ 196,159	\$ 168,417
Restricted cash	1,048,931	--
	<u>\$ 1,245,090</u>	<u>\$ 168,417</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating Income (Loss)	\$ 346,477	\$ (2,700,952)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	2,886,473	--
Miscellaneous Income	177,274	24,595
Change in Assets and Liabilities:		
Decrease (Increase) in Receivables	425,729	(89,168)
Decrease (Increase) in Inventories	(16,223)	--
Decrease (Increase) in Prepaid Items	413,584	--
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(180,696)	333,982
Increase (Decrease) in Customer Deposits	(6,260)	--
Increase (Decrease) in Compensated Absences	226	--
Total Adjustments	<u>3,700,107</u>	<u>269,409</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,046,584</u>	<u>\$ (2,431,543)</u>
<b>Non-Cash Activities:</b>		
Capital Contributions	<u>\$ 2,629,125</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

**CITY OF ROCKWALL, TEXAS**  
 STATEMENT OF ASSETS AND LIABILITIES  
 AGENCY FUND  
 SEPTEMBER 30, 2013

	Agency Fund
	Special Escrow Agency
<b>ASSETS</b>	
Cash and cash equivalents	\$ 198,895
Investments	1,093,733
Accrued interest	964
Total Assets	<u>\$ 1,293,592</u>
<b>LIABILITIES</b>	
Due to developers	\$ 1,293,592
Total Liabilities	<u>\$ 1,293,592</u>

The accompanying notes are an integral part of this statement.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Rockwall, Texas, was founded in 1854 and incorporated in 1874. The City operates under the Council-Manager form of government as adopted by a home rule charter approved January 21, 1985. The City provides a full range of municipal services including public safety (police and fire), highway and streets, parks and recreation, health and social services, planning and zoning, and general administrative services. In addition, the City provides water and sewer service as a proprietary function of the City.

The accounting policies of the City of Rockwall, Texas, conform to generally accepted accounting principles issued by the Governmental Accounting Standards Board which is the recognized financial accounting standard setting body for governmental entities. The notes to the financial statements are an integral part of the City's basic financial statements.

The City of Rockwall is a home rule municipality governed by an elected mayor and six member City Council who appoint a City Manager. The City's (primary government) financial statements include its component units. The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, "The Financial Reporting Entity," in that the financial statements include all organizations, activities, functions and component units for which the City (the "primary government") is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

**Discretely Presented Component Units**

The Rockwall Economic Development Corporation (REDC) is governed by a seven member board of directors appointed, at will, by the City Council. REDC represents the City by promoting it as a location for new business; it also acquires and develops land for that purpose. REDC collects a half cent sales tax to support its activities.

The Rockwall Technology Park Association (RTPA) provides repair and maintenance of the common area within the park being developed by REDC. RTPA's board of directors is composed of representatives of the landowners. At September 30, 2013, REDC owned the majority of the land and the board was therefore composed of REDC board members. When the park becomes 75% or more owned by private landowners, it will become an entity independent of the City. Until then, it is controlled by REDC, a discrete component unit of the City. RTPA, is effectively controlled by the City through REDC and thus provides a potential financial benefit or burden to the City.

The funds of both REDC and RTPA are composed of governmental fund types. Stand alone financial statements for REDC and RTPA as of and for the fiscal year ended September 30, 2013 are not prepared.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e. the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the 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 or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment 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 among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual enterprise funds are reported as separate columns in the fund financial statements.

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*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus and the modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *G.O. Bonds Capital Projects Fund* was established to account for street and drainage projects using proceeds from the issuance of bonds.

The City reports the following major proprietary fund:

The *Water and Sewer Fund* operates the water distribution system and the wastewater treatment plants, wastewater pumping stations, and collection systems.

Additionally, the City reports the following fund types:

Internal Service Funds account for employees' health insurance, and worker's compensation coverage services provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

Special Revenue Funds account for specific revenue sources that are legally restricted to expenditures for specified purposes (not including expendable trusts or major capital projects).

Capital Projects Funds account for the acquisition of capital assets or the construction of major capital projects (such as streets and sidewalks) not being financed by proprietary funds.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. The Agency Fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. This fund is used to account for developer contributions for infrastructure projects related to various developments to be constructed at a later date.

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2013

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and wastewater function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *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, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes, miscellaneous revenue, and interest income.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer enterprise fund are charges to customers for sales and services. The enterprise utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, liabilities, and net position or equity

1. Deposits and investments

The City maintains various accounts for each fund at its depository. The City also has cash maintained by agents for debt payments and reserves, construction reserves and worker compensation claims. For purposes of the statement of cash flows, the City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The City investment policy authorizes the Director of Finance to invest in the following types of investments:

- a. Obligations of the United States or its agencies and instrumentalities with finite maturity dates, with a maximum maturity of not greater than 5 years. Laddering of investments should be considered.
- b. Direct obligations of the State of Texas or its agencies and instrumentalities, with stated finite maturity dates.
- c. Other obligations, with finite maturity dates, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States or their respective agencies or instrumentalities.
- 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 issued by a state or national bank domiciled in the state of Texas or a savings bank domiciled in the state of Texas provided that they are:
  - (1) Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor,
  - (2) Secured by obligations outlined in items 1 – 4. The market value of all collateral must be marked to market on a daily basis and shall not be less than 102% of the principal amount of the certificate plus accrued interest, or
  - (3) Secured in any other manner in an amount provided by law for deposits of the City.



**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2013

- f. Repurchase agreements which are fully collateralized by obligations of the United States or its agencies and instrumentalities, marked to market on a daily basis with a market value of at least of the 102% of the principal invested, including accrued interest. The securities being purchased must be pledged to the City and held in the City's name by a third party selected and approved by the City. The repurchase agreement must have a defined termination date and be placed through a primary government securities dealer or a financial institution doing business in the state of Texas. The repurchase agreements should be secured by obligations approved in this policy.
- g. Banker's acceptances having a stated maturity of 270 days or less, to be liquidated in full at maturity, which are rated not less than "A-1" or "P-1" (or an equivalent rating) by at least one nationally recognized credit rating agency provided that it is eligible for borrowing from a Federal Reserve Bank.
- h. Commercial paper having a stated maturity of 270 days or less and rated not less than "A-1" or "P-1" (or an equivalent rating) by at least two nationally recognized rating agencies or one nationally recognized rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States.
- i. No-load money market mutual fund registered with and regulated by the SEC, which has a dollar-weighted average stated maturity of 90 days or less. It must have included in its investment objectives its intent to maintain a stable net assets value of \$1 for each share. The fund must provide the City with a prospectus and other information required by the SEC.
- j. No-load mutual funds, registered with and regulated by the SEC, having weighted maturity of less than two years, and which invests exclusively in investments approved by this policy.
- k. Investment pools which are approved by the City Council, provided they meet all the criteria for investment pools outlined in Chapter 2256, Texas Local Government Code, and maintain a continuous rating not lower than AAA or AAA-m (or an equivalent rating) from at least one nationally recognized rating service.

The City holds various mortgage backed securities that offer higher yields but are sensitive to changes in interest rates and other market conditions. Timely payment of interest and principal are guaranteed by federal agencies. The City will not be required to sell these securities prior to maturity barring an event that would be isolated, nonrecurring, unusual, and could not reasonably be anticipated by the City. The City has no borrowed funds used for investing or reverse repurchase agreements.

Investments having a maturity of 1 year or more, when purchased, are stated at fair value. Short term investments are stated at cost or amortized cost.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter fund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles.

Property taxes are levied on October 1 by the City based on the January 1 property values as assessed by the Rockwall Central Appraisal District. Taxes are due without penalty until January 31, of the next calendar year. After January 31 the City has an enforceable lien with respect to both real and personal property. Under state law, property taxes levied on real property constitute a perpetual lien on the real property which cannot be forgiven without specific approval of the State Legislature. Taxes applicable to personal property can be deemed uncollectible by the City.

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2013

3. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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.

4. Restricted assets

Certain proceeds of enterprise fund revenue bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	20 - 30 years
Building Improvements	20 - 50 years
Public domain infrastructure	20 years
System infrastructure	50 years
Equipment	3 - 10 years

6. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation pay benefits up to specified limits. Sick leave is accrued at 6.67 hours per month. However, once an employee has accrued 120 days of sick leave, earned sick leave in excess of 120 days may be converted to vacation leave at a ratio of 3 days sick leave to one day of vacation leave up to a maximum of 15 sick leave days per year. Upon termination, any accumulated sick leave over 120 days shall be converted to vacation leave at a ratio of 3 days sick leave to one day vacation leave to be paid to the employee in accordance with the vacation leave policy. Upon retirement from the City, all accrued sick leave shall be converted to vacation pay at a ratio of 3 days sick leave to one day vacation leave and shall be paid to the employee if he/she has 10 or more years of service to the City. Unused compensatory time for nonexempt employees is paid on termination. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. Compensated absences are reported in governmental funds only if they have matured for example, as a result of employee's resignation and retirement.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method. Bonds payable are reported net of the

applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing 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 withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact are classified as nonspendable fund balance.

Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation are classified as restricted fund balance.

Amounts that are available for any purpose are classified as unassigned fund balance; these amounts can be reported only in the City's General Fund.

Fund balance amounts represent the nature of the net resources that are reported in a governmental fund. The City fund balance classifications include non-spendable resources, restricted, and non-restricted (committed, assigned and unassigned) amounts. When the City incurs an expenditure and both restricted and unrestricted amounts are available, the City considers restricted amounts to have been spent first. When the City incurs an expenditure for an unrestricted amount, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts for purposes in which any of those unrestricted fund balance classifications could be used. The City has not established a formal policy to set forth a minimum level for fund balances.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "Deferred outflow of resources are not available to pay for current-period expenditures and are deferred in the funds." The details of this \$115,870 difference are as follows:

Deferred outflow of resources:	
Bond issue costs - insurance	\$ 11,392
Loss on refunding	104,478
Total	<u>\$115,870</u>

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

A. Budgetary information

The City follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Public hearings are conducted to obtain taxpayer comments
2. Prior to October 1, the budget is legally enacted through passage of an ordinance.
3. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Therefore the fund level is the legal level of control.
4. Formal budgetary integration is employed as a management control device during the year. The legally adopted budgets for the General Fund, certain Special Revenue Funds and the Debt Service Fund are adopted on a basis consistent with generally accepted accounting principles.
5. Budgeted amounts are as originally adopted or as amended by the City Council. During 2013, individual amendments were not material in relation to the original appropriations. Any budgeted amounts appropriated at fiscal year-end and not spent automatically lapse.
6. The City did not adopt budgets for certain Special Revenue Funds. These unbudgeted Special Revenue Funds were as follows:
  - Emergency Siren Fund
  - Downtown Improvement Fund
  - Art in Public Places Fund
  - Special Crimes Unit Fund
7. Capital Project funds were not budgeted. Since project length financial plans usually extend into two or more fiscal years, this makes comparisons confusing and misleading.

B. Deficit fund equity

There were no fund deficits at September 30, 2013:

**IV. DETAILED NOTES ON ALL FUNDS**

A. Deposits and investments

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. At September 30, 2013, the City's deposits were entirely insured or collateralized with securities held by the pledging financial institution's trust department or agent in the City's name; as a result, the City's deposits were not exposed to custodial credit risk.

Under a contractual agreement with North Texas Municipal Water District (NTMWD), depository accounts are maintained by NTMWD for interest and sinking, debt, and construction reserves totaling \$727,084 which are separately insured or secured by collateral pledged by NTMWD's depository. This amount is included in restricted cash on the statement of net position.

The deposits of REDC and RTPA are covered by the City's depository contract and, therefore, at September 30, 2013, these deposits were entirely insured or collateralized with securities held by the pledging financial institution's trust department or agent in the City's name; as a result, the deposits of REDC and RTPA were not exposed to custodial credit risk.

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2013

Investments

At September 30, 2013, the City's investments were:

	Carrying Value	Maturity (months)			
		Less than 1	2-6	7-12	13-24+
<b>Primary Government</b>					
U.S. Government Agencies					
Federal Home Loan Mortgage Corp.	\$3,278,021	\$ --	\$ --	\$ --	\$3,278,021
Federal National Mortgage Asso.	2,459,216	--	--	--	2,459,216
Federal Farm Credit Bank	443,732	--	--	--	443,732
Federal Farm Home Bank	294,372	--	--	--	294,372
Treasury bills and notes	707,441	--	--	--	707,441
	7,182,782	--	--	--	7,182,782
Money Market Funds	32,134,185	32,134,185	--	--	--
Total Primary Government	39,316,967	32,134,185	--	--	7,182,782
<b>Discrete Component Units</b>					
Rockwall Economic Development Corporation					
Money Market Funds	12,954,754	12,954,754	--	--	--
Rockwall Technology Park					
Money Market Funds	40,424	40,424	--	--	--
Total Discrete Component Units	12,995,178	12,995,178	--	--	--
Total Reporting Entity	\$52,312,145	\$45,129,363	\$ --	\$ --	\$7,182,782

Investments are reported in the

Statement of net position as follows:

Governmental activities \$30,187,222

Business-type activities 8,036,012

Fiduciary Fund 1,093,733

Discrete component units:

Rockwall Economic

Development Corporation 12,954,754

Rockwall Technology Park

40,424

\$52,312,145

The City has invested with money market funds with ratings from Aaa to AAA.

**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2013

B. Receivables

Receivables as of year-end for the government's individual major funds and nonmajor, and proprietary funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	GO Bonds Capital	Nonmajor and Other	Water and Sewer	Internal Service
Taxes receivable - delinquent	\$204,671	\$197,466	\$ --	\$ --	\$ --	\$ --
Fines receivable	\$386,956	\$ --	\$ --	\$ --	\$ --	\$ --
Allowance for uncollectibles	(102,904)	--	--	--	--	--
	\$284,052	\$ --	\$ --	\$ --	\$ --	\$ --
Accrued Interest	\$5,440	\$ --	\$11,563	\$4,486	\$ --	\$ --
Accounts receivable	\$78,867	\$9,659	\$22,584	\$162,864	\$2,998,174	\$ --
Allowance for uncollectibles	--	--	--	--	(695,523)	--
Net other receivables	\$78,867	\$9,659	\$22,584	\$162,864	\$2,302,651	\$ --
Assessments receivable	\$ --	\$ --	--	\$83,951	\$ --	\$ --
Other receivables	\$170,182	\$ --	\$ --	\$ --	\$ --	\$183,147

C. Deferred/Unearned Revenue

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	\$188,521	\$ --
Contract receivable not yet due (General Fund)	160,002	--
Fines receivable (General Fund)	161,672	--
Delinquent property taxes receivable (Debt Service Fund)	182,507	--
Delinquent property taxes receivable (Harbor Debt Service)	9,337	--
Assessments receivable not yet due (Street improvements)	83,951	--
Seizures not awarded (Special Crimes Unit)	21,679	21,678
Total deferred/unearned revenue for governmental funds	\$807,669	\$21,678

**CITY OF ROCKWALL, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended September 30, 2013

D. Capital assets

Capital asset activity for the year ended September 30, 2013:

Primary Government

	Balance 9/30/12	Additions	Retirements	Completed Construction	Balance 9/30/13
<b>GOVERNMENTAL ACTIVITIES:</b>					
Capital assets, not being depreciated					
Land	\$14,102,412	\$275,262	\$ --	--	\$14,377,674
Construction in progress	9,946,347	7,283,088	--	(9,336,961)	7,892,474
Total capital assets not being depreciated	24,048,759	7,558,350	--	(9,336,961)	22,270,148
Capital assets, being depreciated:					
Buildings	18,205,698	231,823	(141,918)	1,387,857	19,683,460
Improvements other than buildings	28,212,192	121,247	--	1,001,493	29,334,932
Machinery and equipment	14,653,437	2,707,662	(497,482)	264,555	17,128,172
Infrastructure	183,944,803	3,567,315	--	6,683,056	194,195,174
Total capital assets being depreciated	245,016,130	6,628,047	(639,400)	9,336,961	260,341,738
Less accumulated depreciation for					
Buildings	(4,596,834)	(627,907)	140,015	--	(5,084,726)
Improvements other than buildings	(7,982,282)	(1,639,174)	--	--	(9,621,456)
Machinery and equipment	(10,025,477)	(1,252,114)	485,091	--	(10,792,500)
Infrastructure	(59,445,822)	(6,304,705)	--	--	(65,750,527)
Total accumulated depreciation	(82,050,415)	(9,823,900)	625,106	--	(91,249,209)
Total capital assets being depreciated, net	162,965,715	(3,195,853)	(14,294)		169,092,529
Governmental activities capital assets, net	\$187,014,474	\$4,362,497	(\$14,294)	\$ --	\$191,362,677

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2013

	Balance 9/30/12	Additions	Retirements	Completed Construction	Balance 9/30/13
<b>BUSINESS-TYPE ACTIVITIES:</b>					
Capital assets, not being depreciated:					
Land	\$799,533	\$ --	\$ --	\$ --	\$799,533
Construction in progress	7,260,547	286,099	--	(7,196,603)	350,043
Total capital assets not being depreciated	8,060,080	286,099	--	(7,196,603)	1,149,576
Capital assets, being depreciated					
Buildings	198,109	--	--	--	198,109
Improvements other than buildings	93,501,682	5,869,168	--	7,196,603	106,567,453
Sewage treatment plants and pump station	12,516,072	--	--	--	12,516,072
Machinery and equipment	4,778,984	242,073	(59,523)	--	4,961,534
Total capital assets being depreciated	110,994,847	6,111,241	(59,523)	7,196,603	124,243,168
Less accumulated depreciation for:					
Buildings	(119,309)	(5,434)	--	--	(124,743)
Improvements other than buildings	(18,922,855)	(2,000,691)	--	--	(20,923,546)
Sewage treatment plants and pump station	(5,160,173)	(251,247)	--	--	(5,411,420)
Machinery and equipment	(3,603,053)	(628,760)	59,183	--	(4,172,630)
Total accumulated depreciation	(27,805,390)	(2,886,132)	59,183	--	(30,632,339)
Capital assets being depreciated, net	83,189,457	3,225,109	(340)	7,196,603	93,610,829
Business type activities capital assets, net	\$91,249,537	\$3,511,208	(\$340)	\$ --	\$94,760,405

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

Governmental activities:

Administration	\$807,151
Police	499,273
Fire	755,520
Public works	6,474,505
Community development	1,287,451
Total depreciation expense - governmental activities	<u>\$9,823,900</u>

Business-type activities:

Water and sewer	<u>\$2,886,132</u>
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**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2013

Construction commitments

The City has active construction projects as of September 30, 2013. The projects include street construction, parking improvements, water system improvements, and sewer system improvements.

Project	Spent to Date	Remaining Commitment
Harbor Infrastructure Project	\$3,646,989	\$1,297,011
Downtown Bond Project	1,052,865	7,572,135
	<u>\$4,699,854</u>	<u>\$8,869,146</u>

These projects are being financed by bond proceeds.

Discretely presented component units - Rockwall Economic Development Corporation:

	Balance 9/30/12	Additions	Retirements	Completed Construction	Balance 9/30/13
Capital assets, being depreciated					
Furniture and fixtures	\$93,598	\$29,826	--	--	\$123,424
Total capital assets being depreciated	93,598	29,826	--	--	123,424
Less accumulated depreciation for					
Furniture and fixtures	(75,324)	(4,146)	--	--	(79,470)
Total accumulated depreciation	(75,324)	(4,146)	--	--	(79,470)
Total capital assets being depreciated, net	<u>\$18,274</u>	<u>\$25,680</u>	<u>--</u>	<u>--</u>	<u>\$43,954</u>

E. Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2013, is as follows:

Fund	Receivable	Payable
General Fund	\$284,836	\$ --
Debt Service	--	281,044
Nonmajor Governmental Funds	70,001	73,793
Totals	<u>\$354,837</u>	<u>\$354,837</u>

The outstanding balances between funds result primarily from the time delay between the dates that interfund goods and services are provided and payments between funds are made. These are expected to be collected within one year.

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2013

The composition of interfund transfers for the year ended September 30, 2013, is as follows:

Fund	Transfer In	Transfer Out
Major Governmental Funds		
General Fund	\$681,100	\$3,648,700
Debt Service	--	35,800
G.O. Bonds Capital Projects	--	451,500
Nonmajor Governmental Funds	1,596,450	79,000
Water and Sewer Enterprise Fund	451,500	1,669,050
Internal Service Funds	3,155,000	--
<b>Totals</b>	<b>\$5,884,050</b>	<b>\$5,884,050</b>

Transfers are used to move unrestricted revenues to finance various programs or capital projects that the City must account for in other funds in accordance with budgetary authorizations.

F. Long-term debt

The City issues general obligation debt (in the form of general obligation bonds, certificates of obligation, contractual obligations, and notes payable) to provide funds for the acquisition and construction of major capital facilities. General obligation debt has been issued for both governmental and business-type activities. These issues are direct obligations and pledge the full faith and credit of the City.

General Obligation Debt Outstanding as of September 30, 2013, is as follows:

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 9/30/13
Governmental Activities					
General Obligation Bonds:					
Refunding	\$4,024,394	2003	2015	2.00%-4.00%	\$667,670
Refunding and Improvements	13,345,000	2005	2025	3.00%-4.50%	9,425,000
Improvements	35,775,000	2006	2036	4.50%-5.50%	29,070,000
Improvements	21,765,000	2007	2037	5.13%-6.13%	18,705,000
Improvements	9,515,000	2008	2028	2.05%-2.50%	7,880,000
Improvements	9,065,000	2009	2029	2.00%-4.60%	6,835,000
Improvements and refunding	8,535,000	2011	2031	2.00%-5.00%	8,075,000
Improvements	7,905,000	2013	2033	2.00%-5.00%	7,905,000
<b>Total General Obligation Bonds</b>					<b>88,562,670</b>

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2013

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 9/30/13
Certificates of Obligation Bonds:					
Improvements	12,415,000	2005	2025	3.00%-5.00%	9,875,000
Improvements	5,270,000	2006	2026	4.25%-5.00%	3,135,000
Improvements	820,000	2012	2016	1.215%	620,000
Improvements	5,125,000	2009	2029	2.00%-4.60%	3,370,000
Improvements	4,675,000	2011	2031	2.00%-4.25%	4,485,000
Improvements	1,330,000	2011	2031	2.33%-5.30%	1,330,000
Improvements	2,625,000	2013	2033	2.00%-4.38%	<u>2,625,000</u>
Total Certificates of Obligation					<u>25,440,000</u>
Total Governmental Activities General Obligation Debt					<u>114,002,670</u>
Business-type Activities:					
General Obligation Bonds:					
Refunding	300,606	2003	2015	2.00%-4.00%	<u>47,330</u>
Certificates of Obligation:					
Improvements	10,310,000	2007	2027	4.25%-4.50%	8,110,000
Improvements	16,895,000	2008	2028	3.00%-5.00%	13,975,000
Improvements	5,740,000	2008	2028	3.00%-5.00%	3,945,000
Improvements	3,480,000	2013	2031	2.00%-4.38%	<u>3,480,000</u>
Total Certificates of obligation					<u>29,510,000</u>
Total business-type general obligation debt					<u>29,557,330</u>
Total General Debt					<u><u>\$143,560,000</u></u>

Annual debt service requirements to maturity for general debt:

Year	Governmental Activities		Business Type Activities		Total
	Principal	Interest	Principal	Interest	
2014	\$6,643,038	\$4,956,925	\$1,631,962	\$1,256,429	\$14,488,354
2015	6,919,632	4,731,262	1,705,368	1,204,716	14,560,978
2016	6,735,000	4,466,473	1,745,000	1,145,651	14,092,124
2017	6,440,000	4,203,354	1,830,000	1,083,976	13,557,330
2018	6,495,000	3,941,261	1,905,000	1,015,514	13,356,775
2019-2023	31,710,000	15,452,043	9,985,000	3,839,544	60,986,587
2024-2028	28,425,000	8,316,623	9,625,000	1,560,726	47,927,349
2029-2033	13,935,000	3,336,842	1,130,000	151,450	18,553,292
2034-2037	6,700,000	723,375	--	--	7,423,375
Total	<u>\$114,002,670</u>	<u>\$50,128,158</u>	<u>\$29,557,330</u>	<u>\$11,258,006</u>	<u>\$204,946,164</u>

REVENUE BONDS. The City issues revenue bonds where the City pledges income derived from the acquired or constructed assets to pay the debt service. Revenue bonds outstanding at year end are as follows:

**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2013

Purpose	Original Amount	Year Issue	Final Maturity	Interest Rate	Balance 9/30/13
Revenue Bonds					
Refunding and improvements	\$6,415,000	2005	2025	3.00%-4.50%	\$3,865,000
Total Revenue Bonds					3,865,000
Less unamortized premium (discount) on bonds					42,368
Total Revenue Bonds					<u>\$3,907,368</u>

Revenue bond debt service requirements to maturity are as follows:

Year	Water and Sewer Fund		
	Principal	Interest	Total
2014	\$370,000	\$163,019	\$533,019
2015	260,000	147,294	407,294
2016	270,000	136,894	406,894
2017	280,000	126,094	406,094
2018	290,000	114,894	404,894
2019-2023	1,635,000	384,730	2,019,730
2024-2025	760,000	51,288	811,288
Total	3,865,000	\$ 1,124,213	\$4,989,213
Unamortized Discount	42,368		
Total Revenue bonds	<u>\$3,907,368</u>		

**Capitalized Lease Obligations**

The City has entered into a contract with a software vendor for an upgrade to the public safety software system. This contract has been treated as a capitalized lease.

The City has entered into a contract with the North Texas Municipal Water District, a conservation and reclamation district and political subdivision of the state of Texas, for construction and operation of sewer plants and to provide treated water to the City. The contractual obligations have been treated as capitalized leases.

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2013

Capitalized lease obligations outstanding at September 30, 2013 are as follows:

Purpose	Original Amount	Year Issue	Final Maturity	Interest Rate	Balance 9/30/13
<b>Capital Leases</b>					
<b>Governmental activities</b>					
Public safety computer upgrade	\$330,870	2010	2016	4.45%	\$148,083
<b>Business-type activities</b>					
South Plant Improvements	\$1,800,000	1996	2016	various	410,000
Ground Storage Facility	2,013,434	2005	2025	various	1,410,072
Pump Station	2,145,000	2006	2026	various	1,625,000
Buffalo Creek Plant	2,960,000	2008	2028	various	2,465,000
					<u>5,910,072</u>
<b>Total Capitalized Lease Obligations</b>					<u><u>\$6,058,155</u></u>

Capital lease obligation debt service requirements to maturity are as follows:

Year	Governmental Activities	Business-type Activities	Total
2014	\$53,818	\$714,226	\$768,044
2015	53,818	712,304	766,122
2016	53,818	717,674	771,492
2017	--	563,717	563,717
2018	--	561,522	561,522
2019-2023	--	2,844,438	2,844,438
2024-2028	--	2,069,287	2,069,287
<b>Total payments</b>	<u>161,454</u>	<u>8,183,168</u>	<u>8,344,622</u>
<b>Less imputed interest</b>	<u>(13,371)</u>	<u>(2,273,096)</u>	<u>(2,286,467)</u>
<b>Total Capital Lease Obligations</b>	<u><u>\$148,083</u></u>	<u><u>\$5,910,072</u></u>	<u><u>\$6,058,155</u></u>

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2013

**CHANGES IN LONG-TERM LIABILITIES**

During the year ended September 30, 2013, the following changes occurred in liabilities reported in the capital long-term debt:

	Balance 9/30/12	Additions	Retirements	Balance 9/30/13	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$84,675,708	\$7,905,000	(\$4,018,038)	\$88,562,670	\$4,478,038
Certificates of obligation	24,065,000	2,625,000	(1,250,000)	25,440,000	2,165,000
Unamortized premium (discount)	1,906,421	221,418	(103,339)	2,024,500	108,875
Total bonds payable	110,647,129	10,751,418	(5,371,377)	116,027,170	6,751,913
Capital lease obligations	193,299	--	(45,216)	148,083	47,228
Compensated absences	1,219,076	1,309,128	(1,219,076)	1,309,128	327,282
Governmental activity Long-Term Liabilities	<u>\$112,059,504</u>	<u>\$12,060,546</u>	<u>(\$6,635,669)</u>	<u>\$117,484,381</u>	<u>\$7,126,423</u>
<b>Business-type activities:</b>					
General obligation bonds and certificates	\$27,214,292	\$3,480,000	(\$1,136,962)	\$29,557,330	\$1,631,962
Revenue bonds	4,550,000	--	(685,000)	3,865,000	370,000
Unamortized premium (discount)	181,985	66,724	(12,789)	235,920	14,457
Total bonds payable	31,946,277	3,546,724	(1,834,751)	33,658,250	2,016,419
Capital lease obligations	6,321,743	--	(411,671)	5,910,072	425,005
Compensated absences	113,335	113,561	(113,335)	113,561	28,390
Business-type activities	<u>\$38,381,355</u>	<u>\$3,660,285</u>	<u>(\$2,359,757)</u>	<u>\$39,681,883</u>	<u>\$2,469,814</u>

For the governmental activities, claims and judgements and compensated absences are generally liquidated by the general fund.

**CITY OF ROCKWALL, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended September 30, 2013

Authorized and Unissued Debt

The following tables detail the status of all authorized general obligation and revenue bonded debt as of September 30, 2013:

Year Authorized	General Obligation Bonds		Balance
	Amount Authorized	Amount Issued	Unissued 9/30/13
1985	\$1,500,000	(\$600,000)	\$900,000
1994	4,100,000	(3,600,000)	500,000
2012	27,800,000	(7,905,000)	19,895,000
	<u>\$33,400,000</u>	<u>(\$12,105,000)</u>	<u>\$21,295,000</u>

Year Authorized	Revenue Bonds		Balance
	Amount Authorized	Amount Issued	Unissued 9/30/13
1980	\$2,000,000	(\$1,060,000)	\$940,000
1985	1,540,000	--	1,540,000
Totals	<u>\$3,540,000</u>	<u>(\$1,060,000)</u>	<u>\$2,480,000</u>

**Discretely presented component units - Rockwall Economic Development Corporation:**

General Obligation Debt Outstanding as of September 30, 2013, is as follows:

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 9/30/13
Sales Tax Revenue Bonds:					
Improvements	\$4,545,000	2008	2028	7.00%	\$3,870,000
Improvements	4,595,000	2013	2033	2.00%-4.00%	4,595,000
Improvements	2,405,000	2012	2019	2.00%	<u>2,080,000</u>
Total Sales Tax Revenue Bonds					<u>10,545,000</u>
Certificates of Obligation Bonds:					
Improvements	3,225,000	2005	2015	3.00%-5.00%	765,000
Improvements	5,540,000	2006	2025	4.25%-5.00%	4,145,000
Improvements	6,130,000	2008	2028	3.00%-5.00%	5,070,000
Improvements	2,625,000	2013	2033	1.65%-5.82%	<u>7,610,000</u>
Total Certificates of Obligation					<u>17,590,000</u>
Total					<u><u>28,135,000</u></u>

**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2013

Annual debt service requirements to maturity for REDC debt are as follows:

Year	Governmental Activities		
	Principal	Interest	Total
2014	\$1,800,000	\$1,197,286	\$2,997,286
2015	1,850,000	1,154,203	3,004,203
2016	1,510,000	1,089,375	2,599,375
2017	1,565,000	1,038,456	2,603,456
2018	1,615,000	983,052	2,598,052
2019-2023	7,580,000	3,981,367	11,561,367
2024-2028	8,255,000	2,098,011	10,353,011
2029-3033	3,960,000	553,916	4,513,916
<b>Total</b>	<b>\$28,135,000</b>	<b>\$12,095,666</b>	<b>\$40,230,666</b>

During the year ended September 30, 2013, the following changes occurred in liabilities reported in the capital long-term debt for REDC:

	Balance 9/30/12	Additions	Retirements	Balance 9/30/13	Due Within One Year
<b>Governmental activities</b>					
Sales tax revenue bonds	\$6,420,000	\$4,595,000	(\$470,000)	\$10,545,000	\$665,000
Certificates of obligation	10,785,000	7,610,000	(805,000)	17,590,000	1,135,000
Unamortized premium (discount)	182,044	111,698	(19,444)	274,298	22,236
Total bonds payable	17,387,044	12,316,698	(1,294,444)	28,409,298	1,822,236
Compensated absences	32,316	24,379	(32,316)	24,379	6,095
<b>Total</b>	<b>\$17,419,360</b>	<b>\$12,341,077</b>	<b>(\$1,326,760)</b>	<b>\$28,433,677</b>	<b>\$1,828,331</b>

V. OTHER INFORMATION

A. Risk management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures.

The City uses a medical self-insurance fund to pay medical and dental claims of the City employees and their covered dependents and minimize the total cost of annual medical insurance to the municipality. Medical claims in any one year exceeding \$75,000 per covered individual or, approximately \$3,238,610 in the aggregate for the group, are covered through a private insurance carrier. Additionally, life insurance policy premiums for each employee are paid through the fund. The self-insurance fund is funded by operating transfers from other funds and charges to employees for extended benefits at their option. The City does not believe there are material claims incurred but not reported as of September 30, 2013.

The City uses a Self-Insurance and Risk Management Program (as permitted by law and its home rule charter) to insure itself against the various risks of liability or loss to which it is exposed, either through an insurance provider or through a defined self-insurance program. The City issued certificates of



**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2013

obligation, based on an actuarial analysis, to fund a self-insured workers compensation plan. Under this plan, worker compensation insurance is provided in accordance with State statutes to all City employees. To protect the assets of the plan from a catastrophic claim the City has purchased stop loss coverage in the amount of \$200,000 per occurrence with a cap of \$600,000 per year.

The Worker's Compensation fund (an internal service fund) accounts for the activity of this plan. The City establishes claim liabilities based on estimates of the ultimate cost of claims reported but unsettled and of claims incurred but not reported. Any claims incurred and not reported, are not believed to be significant to the City's financial statements.

	Employee Benefits		Worker's Compensation	
	2013	2012	2013	2012
Claims payable beginning of the year	\$187,894	\$181,850	\$37,968	\$33,407
Claims incurred	3,693,090	3,193,314	92,479	183,041
Payment on claims	(3,441,641)	(3,187,270)	(119,617)	(178,480)
	<u>\$439,343</u>	<u>\$187,894</u>	<u>\$10,830</u>	<u>\$37,968</u>

Commercial insurance is purchased for the other risks of losses to which the City is exposed. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

B. North Texas Municipal Water District

The District is a conservation and reclamation district and political subdivision of the State of Texas, created and functioning under Chapter 62, Acts of 1951, 52nd Legislature, Regular Session, as amended, originally compiled as Vernon's Article 8270-141 (the "Act"), pursuant to Article 16, Section 59 of the Texas Constitution. The District comprises all of the territory of its member cities, viz., Allen, Garland, Princeton, Plano, Mesquite, Wylie, Rockwall, Farmersville, McKinney, Richardson, Forney and Royse City (the "Member Cities"). The District was created for the purpose of providing a source of water supply for municipal, domestic and industrial use and for the treatment processing and transportation of such water to its Member Cities and to its other customers located in North Central Texas, all within the Dallas Standard Metropolitan Statistical Area.

Under the Act, including specifically Section 27 thereof, and under the Constitution and Statutes of the State of Texas, the District has broad powers to (1) impound, control, store, preserve, treat, transmit and use storm and flood water, the water of rivers and streams and underground water, for irrigation, power and all other useful purposes and to supply water for municipal, domestic, power, industrial and commercial uses and purposes and all other beneficial uses and purposes; and (2) collect, transport, process, treat, dispose of, and control all municipal, domestic, industrial or commercial waste whether in fluid, solid or composite state, including specifically the control, abatement or reduction of all types of pollution. The City retains no ongoing financial interest equity investments and/or responsibilities for the District other than the contractual arrangements discussed more fully herein.

The District has long-term contracts with the City to supply treated water and sewer treatment. The City's water contract with the District provides that the City pay a predetermined annual amount for treated water in twelve monthly installments. The amount of this annual payment is based upon an annually established rate per thousand gallons and the largest annual amount of water consumption of past years. The City owns one sewage treatment facility, Squabble Creek and, in 1978 entered into an agreement with the District for the construction of a second facility, Buffalo Creek. Under the terms of this agreement, the District issued contractually secured bonds in its name to construct and operate this sewage disposal plant for the City. In subsequent years, similar contractual agreements have been made to enable NTMWD to expand the sewage treatment facilities and continue to provide sewage treatment services to the City. Under the terms of these contracts, the City's payments, which began when the facilities were first utilized, are equal to the operating and maintenance expenses for the next

ensuing calendar year, as shown in the Annual Budget. The contracts further provide that the debt service payments will be equal to the principal and/or interest coming due on the bonds on the next succeeding interest payment date, plus the fees and charges of the Paying Agent and the Registrar.

These contractual obligations have been included as capital lease obligations in amounts equal to the bonds outstanding under these agreements. Accordingly, the related sewage treatment facilities have been capitalized and are being depreciated over the estimated life of the facilities.

The outstanding principal balance on the bond issues as of September 30, 2013, is \$5,910,072. See Note IV F for the annual requirements to amortize the bonds as of September 30, 2013.

With respect to the ground storage reservoir discussed above, the Cities of Rockwall and Heath are contractually obligated to make timely payments to the District representing 66.67% and 33.33%, respectively, of the related operating expenses and debt service payments. While the City anticipates its share of these payments to be 66.67%, the Cities of Rockwall and Heath are each contractually obligated to make any payments which the other party is required, but is unable, to make to the District.

**C. Contingent Liabilities and Commitments**

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 amounts, 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 a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's management that the resolution of these matters will not have a material adverse effect on the financial condition of the City.

As described in Note 5 above, the general revenues of the City are contingently liable for the \$29,557,330 payable in General Obligation Bonds which are currently outstanding and recorded as obligations of the Enterprise Fund.

The City contracts for garbage disposal with a third party. Under the terms of the agreement the city bills and collects the residential billing and remits that amount to the contracting party. The contractor bills the commercial customers and remits a franchise fee to the City based on total revenues received from the contract.

The Rockwall Economic Development Corporation provides monetary incentives to companies to relocate within the City of Rockwall. At September 30, 2013, these commitments totaled \$3,231,768.

**D. Employee retirement systems and pension plans**

**1. Plan Description**

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 827 currently administered by TMRS, an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the city are within the options available within the options available in the governing state statutes of TMRS.

TMRS issues a publically available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the system. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at [www.TMRS.com](http://www.TMRS.com).

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%) of the employee's accumulated contributions. In addition, the City can grant as often as annually another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after 5 years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

2. Contributions

The contribution rate for the employees is 7%, and the City matching ratio is currently 2 to 1, both as adopted by the governing body of the City. Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (over funded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The projected unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance to budget for it, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect, i.e. December 31, 2011 valuation is effective for rates beginning January 2013.

	<u>Actuarial Assumptions</u>
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	27.2 Years - Closed Period
Amortization period for new Gains/Losses	30 Years
Asset Valuation Method	10 Year Smoothed Market
Investment Rate of Return	7%
Projected Salary Increases	Varies by age and service
Includes Inflation At	3.0%
Cost of Living Adjustments	0.0%

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2013

Schedule of Actuarial Liabilities and Funding Progress

Actuarial Valuation Date	12/31/12	12/31/11	12/31/10
Actuarial Value of Asset	\$45,252,432	\$40,528,030	\$35,681,831
Actuarial Accrued Liabilities	\$57,979,914	\$55,019,733	\$50,277,529
Percentage Funded	78.0%	73.7%	71.0%
Unfunded (Over-funded) Actuarial			
Accrued Liability	\$12,727,482	\$14,491,703	\$14,595,698
Annual Covered Payroll	\$15,319,206	\$15,245,963	\$14,570,782
UAAL as a Percentage of Covered Payroll	83.1%	95.1%	100.2%
Net Pension Obligation (NPO)	\$ --	\$ --	\$ --

	Fiscal Year Ended September 30,		
	2013	2012	2011
Annual Required Contribution (ARC)	\$2,351,862	\$2,316,015	\$2,140,343
Interest on NPO	--	--	--
Adjustment to the ARC	--	--	--
	2,351,862	2,140,343	2,140,343
Contributions Made (100%)	2,351,862	2,140,343	2,140,343
Increase in NPO	--	--	--
NPO at the End of Period	\$ --	\$ --	\$ --

**Texas Statewide Emergency Services Personnel Retirement Fund**

The City acts as agent for the Texas Statewide Emergency Services Personnel Retirement Fund (the "Fund") which is a component unit of the State of Texas. The City reimbursed the Fund \$50,500 for benefits paid on a pay-as-you-go basis during the year in recognition of services provided to the City by volunteer emergency services personnel. The Fund has a board of directors not designated by City officials and is administered by the State Fire Fighters' Pension Commissioner. There are 38 active participants currently covered by the Fund and payments are being made to 24 retirees or their survivors. The Fund does not prepare separate financial statements for participating departments, however, financial statements for the Fund as a whole may be obtained from the administrator at Fire Fighters' Pension Commissioner, P. O. Box 12577, Austin, Texas, 78711.

**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2013

E. Implementation of new GASB Accounting Standards/Restatement of Prior Year Amounts

The City has implemented new GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Under GASB-63, amounts previously reported as deferred charges as a part of total assets and deferred amounts from refunded debt have been reported in a separate section as deferred outflows of resources and amounts previously reported as deferred revenue as a part of total liabilities have been reported in a separate section as deferred inflows of resources. Under GASB-65, bond issue costs (excluding bond insurance) are recognized as expenses in the period incurred rather than as assets to be amortized.

GASB 63 resulted in the reclassification of \$890,697 (deferred ad valorem tax revenue, deferred assessments revenue, deferred contract revenue, deferred seizures, and deferred fine revenue, which use is restricted to a subsequent fiscal year) to deferred inflows of resources for governmental funds.

Prior year financial statements have been restated to apply GASB Statement No. 65 with respect to nonrecognition of deferred bond issue costs. The effect of the restatements were, as follows:

	<u>Governmental</u>	<u>Business-type</u>	<u>Component Unit</u>
Net position as reported 9/30/12	\$106,184,132	\$65,495,435	(\$979,126)
Implementation of GASB Statements	<u>(1,515,706)</u>	<u>(388,041)</u>	<u>(179,534)</u>
Net position as restated 9/30/12	<u>\$104,668,426</u>	<u>\$65,107,394</u>	<u>(\$1,158,660)</u>

## Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

**CITY OF ROCKWALL, TEXAS**  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes, penalty and interest	\$ 8,852,150	\$ 8,896,000	\$ 8,988,016	\$ 92,016
Sales taxes	12,227,200	13,418,200	13,439,088	20,888
Franchise taxes	2,597,000	2,648,600	2,748,707	100,107
Charges for services	173,100	280,400	344,383	63,983
Permits	770,000	1,051,000	1,119,438	68,438
Municipal court	1,090,000	1,059,000	1,050,955	(8,045)
Intergovernmental	390,300	393,750	399,890	6,140
Interest income	40,000	40,000	73,220	33,220
Miscellaneous	151,000	190,500	148,103	(42,397)
Total revenues	<u>26,290,750</u>	<u>27,977,450</u>	<u>28,311,800</u>	<u>334,350</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Mayor/Council Administration	118,600	118,600	102,995	15,605
Finance	3,216,250	3,664,200	3,544,762	119,438
Municipal court	1,083,950	660,050	621,638	38,412
Police	353,750	358,750	349,536	9,214
Fire	8,613,900	8,689,700	8,682,793	6,907
Public works	2,485,950	2,499,050	2,376,460	122,590
Community development	2,302,800	2,249,900	2,153,427	96,473
Parks and recreation	1,219,950	1,145,050	1,139,859	5,191
Total current	<u>24,510,050</u>	<u>24,330,350</u>	<u>23,725,778</u>	<u>604,572</u>
<b>Capital outlay:</b>				
Administration	278,000	328,000	169,805	158,195
Police	13,900	13,900	12,210	1,690
Fire	109,600	109,600	63,881	45,719
Parks and recreation	15,600	15,600	14,504	1,096
Total capital outlay	<u>417,100</u>	<u>467,100</u>	<u>260,400</u>	<u>206,700</u>
Total expenditures	<u>24,927,150</u>	<u>24,797,450</u>	<u>23,986,178</u>	<u>811,272</u>
Excess (deficiency) of revenues over (under) expenditures	1,363,600	3,180,000	4,325,622	1,145,622
<b>Other financing sources (uses):</b>				
Transfers in	681,100	691,100	681,100	(10,000)
Transfers out	(2,459,700)	(3,678,700)	(3,648,700)	30,000
Total other financing sources (uses)	<u>(1,778,600)</u>	<u>(2,987,600)</u>	<u>(2,967,600)</u>	<u>20,000</u>
Net change in fund balances	(415,000)	192,400	1,358,022	1,165,622
Fund balances, October 1	9,917,961	9,917,961	9,917,961	--
Fund balances, September 30	<u>\$ 9,502,961</u>	<u>\$ 10,110,361</u>	<u>\$ 11,275,983</u>	<u>\$ 1,165,622</u>

**CITY OF ROCKWALL, TEXAS**  
**SCHEDULE OF FUNDING PROGRESS**  
 September 30, 2013  
 (Unaudited)

EXHIBIT B-2

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(1)	(2)	(3)	(4)	(5)	(6)
			(1)/(2)	(2)-(1)		(4)/(5)
12/31/2010	\$35,681,831	\$50,277,529	71.0%	\$14,595,698	\$14,590,752	100.2%
12/31/2011	40,528,030	55,019,733	73.6%	14,491,703	15,245,963	95.1%
12/31/2012	45,252,432	57,979,914	78.0%	12,727,482	15,319,206	83.1%



**CITY OF ROCKWALL, TEXAS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2013

(Unaudited)

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Information concerning the budget and budget calendar are detailed in footnote III.A. The General Fund budget is presented on a generally accepted accounting principles basis.

## Combining Statements and Budget Comparisons as Supplementary Information

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Cemetery - established to account for the annual income from the sale of plots and cemetery maintenance costs.

Police Investigation - established to account for donations, court security fees, and forfeitures.

Recreational Development - established to account for the annual lease income from marinas and golf course.

Radio System - established to account for revenues and expenditures for the support of the City's radio system.

Street Improvements - established to account for the proceeds of street improvement assessments.

Hotel Motel Tax - established to account for the annual income from hotel motel taxes.

Fire Equipment - established to account for funds to be used for the purchase of fire equipment for the volunteer fire department.

Aviation - established to account for funds received from airport operations and related expenses.

Recycling - established to account for funds to be used for the City's recycling program.

Emergency Siren — established to account for revenues accumulated and expenditures to add emergency sirens within the City.

Downtown Improvement - established to account for revenues and expenditures related to the City's efforts to revitalize the downtown square.

Art in Public Places - established to account for donations received for developing art displays in public areas such as parks.

Special Crimes Unit - established to account for revenues and expenditures related to a county-wide crime task force.

### *DEBT SERVICE FUNDS*

Debt Service Funds are used to account for the accumulation of resources and payment of general, certificate, & contractual obligation bond principal and interest from governmental resources.

NONMAJOR GOVERNMENTAL FUNDS  
(Continued)

*CAPITAL PROJECTS FUNDS*

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital Projects - established to account for miscellaneous street and drainage projects which are financed with contributions from the General Fund and the Rockwall Economic Development Corporation.

Equipment Acquisition — established to account for capital equipment acquisition using operating transfers from benefiting funds and residual proceeds from miscellaneous debt.

205 Bypass Project — established to account for revenues and expenditures related to the construction of the new 205 Bypass roadway project.

The Harbor/TIF Capital Projects Fund — established to account for improvements in the Tax Increment Reinvestment Zone using the proceeds from the issuance of bonds.

*INTERNAL SERVICE FUNDS*

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Employee Benefits Fund — established to account for the financing of a medical self-insurance fund to pay medical and dental claims of the City's employees and their covered dependents.

Workers' Compensation Fund — established to account for the costs of the workers' compensation self-insurance program for the City.

*AGENCY FUND*

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Special Escrow Agency Fund - established to account for developer contributions for infrastructure projects related to various developments to be constructed at a later date.

## CITY OF ROCKWALL, TEXAS

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2013

	Special Revenue Funds	Debt Service Fund Harbor Debt Service	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
<b>ASSETS</b>				
Cash and cash equivalents	\$ 186,780	\$ 74,926	\$ 1,564,610	\$ 1,826,316
Investments	2,938,276	--	3,901,010	6,839,286
Receivables (net of allowances for uncollectibles):				
Taxes - delinquent	--	9,337	--	9,337
Accrued interest	--	--	4,486	4,486
Accounts receivable	89,731	73,133	--	162,864
Assessments receivable	83,951	--	--	83,951
Due from other funds	70,001	--	--	70,001
Due from other governments	--	53,756	--	53,756
Inventory	24,179	--	--	24,179
Total Assets	<u>\$ 3,392,918</u>	<u>\$ 211,152</u>	<u>\$ 5,470,106</u>	<u>\$ 9,074,176</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 113,789	\$ --	\$ 922,123	\$ 1,035,912
Due to other funds	73,793	--	--	73,793
Total Liabilities	<u>187,582</u>	<u>--</u>	<u>922,123</u>	<u>1,109,705</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	--	9,337	--	9,337
Unavailable revenue-other	105,630	--	--	105,630
Total Deferred Inflows of Resources	<u>105,630</u>	<u>9,337</u>	<u>--</u>	<u>114,967</u>
<b>FUND BALANCES</b>				
Restricted	126,620	201,815	--	328,435
Committed	2,973,086	--	--	2,973,086
Assigned	--	--	4,547,983	4,547,983
Total Fund Balances	<u>3,099,706</u>	<u>201,815</u>	<u>4,547,983</u>	<u>7,849,504</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,392,918</u>	<u>\$ 211,152</u>	<u>\$ 5,470,106</u>	<u>\$ 9,074,176</u>

## CITY OF ROCKWALL, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue Funds	Debt Service Fund Harbor Debt Service	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
<b>Revenues:</b>				
Ad valorem taxes, penalty and interest	\$ --	\$ 659,233	\$ --	\$ 659,233
Sales taxes	292,485	313,520	--	606,005
Charges for services	704,751	--	--	704,751
Intergovernmental	40,360	--	--	40,360
Interest income	38	--	(98,986)	(98,948)
Miscellaneous	202,694	--	225	202,919
Donations	44,870	--	59	44,929
Total revenues	<u>1,285,198</u>	<u>972,753</u>	<u>(98,702)</u>	<u>2,159,249</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Administration	276,993	--	--	276,993
Finance	302,777	--	--	302,777
Police	52,217	--	--	52,217
Fire	7,372	--	--	7,372
Parks and recreation	138,148	--	--	138,148
Total current	<u>777,507</u>	<u>--</u>	<u>--</u>	<u>777,507</u>
<b>Capital outlay:</b>				
Administration	162,500	--	3,584,199	3,746,699
Finance	--	--	124,302	124,302
Municipal court	--	--	205,947	205,947
Police	139,911	--	15,466	155,377
Fire	35,048	--	2,068,851	2,103,899
Parks and recreation	51,030	--	--	51,030
Total capital outlay	<u>388,489</u>	<u>--</u>	<u>5,998,765</u>	<u>6,387,254</u>
<b>Debt service:</b>				
Principal	--	270,000	--	270,000
Interest	--	634,256	--	634,256
Bond issuance cost	--	--	19,707	19,707
Total debt service:	<u>--</u>	<u>904,256</u>	<u>19,707</u>	<u>923,963</u>
Total expenditures	<u>1,165,996</u>	<u>904,256</u>	<u>6,018,472</u>	<u>8,088,724</u>
Excess (deficiency) of revenues over (under) expenditures	119,202	68,497	(6,117,174)	(5,929,475)
<b>Other financing sources (uses):</b>				
Transfers in	175,000	35,800	1,385,650	1,596,450
Transfers out	(79,000)	--	--	(79,000)
Issuance of long-term debt	--	--	2,625,000	2,625,000
Premium on bonds issued	--	--	64,806	64,806
Discount on bonds issued	--	--	(14,476)	(14,476)
Total other financing sources (uses)	<u>96,000</u>	<u>35,800</u>	<u>4,060,980</u>	<u>4,192,780</u>
Net change in fund balances	215,202	104,297	(2,056,194)	(1,736,695)
Fund balances, October 1	2,884,504	97,518	6,604,177	9,586,199
Fund balances, September 30	<u>\$ 3,099,706</u>	<u>\$ 201,815</u>	<u>\$ 4,547,983</u>	<u>\$ 7,849,504</u>

**CITY OF ROCKWALL, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2013

	Cemetery	Police Investigation	Recreational Development	Radio System
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,624	\$ 4,245	\$ 9,597	\$ 18,122
Investments	92,949	909,756	143,038	--
Receivables (net of allowances for uncollectibles):				
Accounts receivable	--	--	--	--
Assessments receivable	--	--	--	--
Due from other funds	--	--	70,001	--
Inventory	--	--	--	--
<b>Total Assets</b>	<b>\$ 101,573</b>	<b>\$ 914,001</b>	<b>\$ 222,636</b>	<b>\$ 18,122</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ --	\$ 50,974	\$ 18,848	\$ 1,960
Due to other funds	--	--	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>50,974</b>	<b>18,848</b>	<b>1,960</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-other	--	--	--	--
<b>Total Deferred Inflows of Resources</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES</b>				
Restricted	--	--	--	--
Committed	101,573	863,027	203,788	16,162
<b>Total Fund Balances</b>	<b>101,573</b>	<b>863,027</b>	<b>203,788</b>	<b>16,162</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 101,573</b>	<b>\$ 914,001</b>	<b>\$ 222,636</b>	<b>\$ 18,122</b>

Street Improvements	Hotel Motel Tax	Fire Equipment	Aviation	Recycling
\$ 5,202	\$ 6,211	\$ 4,946	\$ 72,503	\$ 28,219
1,003,000	41,911	421,060	--	63,140
--	79,098	--	8,618	2,015
83,951	--	--	--	--
--	--	--	--	--
--	--	--	24,179	--
<u>\$ 1,092,153</u>	<u>\$ 127,220</u>	<u>\$ 426,006</u>	<u>\$ 105,300</u>	<u>\$ 93,374</u>
\$ --	\$ 600	\$ 14,403	\$ 22,582	\$ --
--	--	--	73,793	--
--	600	14,403	96,375	--
83,951	--	--	--	--
<u>83,951</u>	--	--	--	--
--	126,620	--	--	--
1,008,202	--	411,603	8,925	93,374
<u>1,008,202</u>	<u>126,620</u>	<u>411,603</u>	<u>8,925</u>	<u>93,374</u>
<u>\$ 1,092,153</u>	<u>\$ 127,220</u>	<u>\$ 426,006</u>	<u>\$ 105,300</u>	<u>\$ 93,374</u>



**CITY OF ROCKWALL, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2013

	Emergency Siren	Downtown Improvement
<b>ASSETS</b>		
Cash and cash equivalents	\$ 13,319	\$ 3,974
Investments	14,999	58,168
Receivables (net of allowances for uncollectibles):		
Accounts receivable	--	--
Assessments receivable	--	--
Due from other funds	--	--
Inventory	--	--
Total Assets	<u>\$ 28,318</u>	<u>\$ 62,142</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ --	\$ 4,422
Due to other funds	--	--
Total Liabilities	<u>--</u>	<u>4,422</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue-other	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>
<b>FUND BALANCES</b>		
Restricted	--	--
Committed	28,318	57,720
Total Fund Balances	<u>28,318</u>	<u>57,720</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 28,318</u>	 <u>\$ 62,142</u>

Art in Public Places	Special Crimes Unit	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 3,611	\$ 8,207	\$ 186,780
--	190,255	2,938,276
--	--	89,731
--	--	83,951
--	--	70,001
--	--	24,179
<u>\$ 3,611</u>	<u>\$ 198,462</u>	<u>\$ 3,392,918</u>
\$ --	\$ --	\$ 113,789
--	--	73,793
--	--	187,582
--	21,679	105,630
--	21,679	105,630
--	--	126,620
3,611	176,783	2,973,086
<u>3,611</u>	<u>176,783</u>	<u>3,099,706</u>
<u>\$ 3,611</u>	<u>\$ 198,462</u>	<u>\$ 3,392,918</u>

**CITY OF ROCKWALL, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Cemetery	Police Investigation	Recreational Development	Radio System
Revenues:				
Sales taxes	\$ --	\$ --	\$ --	\$ --
Charges for services	--	236,161	327,932	39,239
Intergovernmental	--	31,741	--	--
Interest income	--	--	(3)	--
Miscellaneous	2,796	--	--	--
Donations	--	--	32,500	--
Total revenues	<u>2,796</u>	<u>267,902</u>	<u>360,429</u>	<u>39,239</u>
Expenditures:				
Current:				
Administration	--	--	--	188,240
Finance	--	--	--	--
Police	--	49,220	--	--
Fire	--	--	--	--
Parks and recreation	--	--	140,624	--
Total current	<u>--</u>	<u>49,220</u>	<u>140,624</u>	<u>188,240</u>
Capital outlay:				
Administration	--	--	--	--
Police	--	139,911	--	--
Fire	--	--	--	--
Parks and recreation	1,656	--	49,374	--
Total capital outlay	<u>1,656</u>	<u>139,911</u>	<u>49,374</u>	<u>--</u>
Debt service:				
Total expenditures	<u>1,656</u>	<u>189,131</u>	<u>189,998</u>	<u>188,240</u>
Excess (deficiency) of revenues over (under) expenditures	1,140	78,771	170,431	(149,001)
Other financing sources (uses):				
Transfers in	--	--	--	150,000
Transfers out	--	(29,000)	(50,000)	--
Total other financing sources (uses)	<u>--</u>	<u>(29,000)</u>	<u>(50,000)</u>	<u>150,000</u>
Net change in fund balances	1,140	49,771	120,431	999
Fund balances, October 1	100,433	813,256	83,357	15,163
Fund balances, September 30	<u>\$ 101,573</u>	<u>\$ 863,027</u>	<u>\$ 203,788</u>	<u>\$ 16,162</u>

Street Improvements	Hotel Motel Tax	Fire Equipment	Aviation	Recycling
\$ --	\$ 292,485	\$ --	\$ --	\$ --
--	--	93,600	--	--
--	--	--	8,619	--
41	--	--	--	--
71,154	--	80,501	22,787	25,456
--	--	--	--	--
<u>71,195</u>	<u>292,485</u>	<u>174,101</u>	<u>31,406</u>	<u>25,456</u>
--	--	--	76,591	12,162
--	302,777	--	--	--
--	--	--	--	--
--	--	7,372	--	--
--	--	--	--	--
<u>--</u>	<u>302,777</u>	<u>7,372</u>	<u>76,591</u>	<u>12,162</u>
162,500	--	--	--	--
--	--	--	--	--
--	--	35,048	--	--
--	--	--	--	--
<u>162,500</u>	<u>--</u>	<u>35,048</u>	<u>--</u>	<u>--</u>
<u>162,500</u>	<u>302,777</u>	<u>42,420</u>	<u>76,591</u>	<u>12,162</u>
(91,305)	(10,292)	131,681	(45,185)	13,294
--	--	--	25,000	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>25,000</u>	<u>--</u>
(91,305)	(10,292)	131,681	(20,185)	13,294
1,099,507	136,912	279,922	29,110	80,080
<u>\$ 1,008,202</u>	<u>\$ 126,620</u>	<u>\$ 411,603</u>	<u>\$ 8,925</u>	<u>\$ 93,374</u>

**CITY OF ROCKWALL, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Emergency Siren	Downtown Improvement
Revenues:		
Sales taxes	\$ --	\$ --
Charges for services	2,819	5,000
Intergovernmental	--	--
Interest income	--	--
Miscellaneous	--	--
Donations	--	10,000
Total revenues	<u>2,819</u>	<u>15,000</u>
Expenditures:		
Current:		
Administration	--	--
Finance	--	--
Police	--	--
Fire	--	--
Parks and recreation	--	(2,476)
Total current	<u>--</u>	<u>(2,476)</u>
Capital outlay:		
Administration	--	--
Police	--	--
Fire	--	--
Parks and recreation	--	--
Total capital outlay	<u>--</u>	<u>--</u>
Debt service:		
Total expenditures	<u>--</u>	<u>(2,476)</u>
Excess (deficiency) of revenues over (under) expenditures	2,819	17,476
Other financing sources (uses):		
Transfers in	--	--
Transfers out	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>
Net change in fund balances	2,819	17,476
Fund balances, October 1	25,499	40,244
Fund balances, September 30	<u>\$ 28,318</u>	<u>\$ 57,720</u>

Art in Public Places	Special Crimes Unit	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ 292,485
--	--	704,751
--	--	40,360
--	--	38
--	--	202,694
2,370	--	44,870
<u>2,370</u>	<u>--</u>	<u>1,285,198</u>
--	--	276,993
--	--	302,777
--	2,997	52,217
--	--	7,372
--	--	138,148
<u>--</u>	<u>2,997</u>	<u>777,507</u>
--	--	162,500
--	--	139,911
--	--	35,048
--	--	51,030
<u>--</u>	<u>--</u>	<u>388,489</u>
--	2,997	1,165,996
2,370	(2,997)	119,202
--	--	175,000
--	--	(79,000)
--	--	96,000
2,370	(2,997)	215,202
1,241	179,780	2,884,504
<u>\$ 3,611</u>	<u>\$ 176,783</u>	<u>\$ 3,099,706</u>

**CITY OF ROCKWALL, TEXAS**  
 CEMETERY FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-5

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Miscellaneous	\$ 2,500	\$ 2,796	\$ 296
Total revenues	<u>2,500</u>	<u>2,796</u>	<u>296</u>
Expenditures:			
Capital outlay:			
Parks and recreation	--	1,656	(1,656)
Total capital outlay	<u>--</u>	<u>1,656</u>	<u>(1,656)</u>
Total expenditures	<u>--</u>	<u>1,656</u>	<u>(1,656)</u>
Net change in fund balances	2,500	1,140	(1,360)
Fund balances, October 1	100,433	100,433	--
Fund balances, September 30	<u>\$ 102,933</u>	<u>\$ 101,573</u>	<u>\$ (1,360)</u>

**CITY OF ROCKWALL, TEXAS**  
 POLICE INVESTIGATION FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-6

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 64,200	\$ 236,161	\$ 171,961
Intergovernmental	31,100	31,741	641
Interest income	500	--	(500)
Total revenues	<u>95,800</u>	<u>267,902</u>	<u>172,102</u>
Expenditures:			
Current:			
Police	66,750	49,220	17,530
Total current	<u>66,750</u>	<u>49,220</u>	<u>17,530</u>
Capital outlay:			
Police	23,900	139,911	(116,011)
Total capital outlay	<u>23,900</u>	<u>139,911</u>	<u>(116,011)</u>
Total expenditures	<u>90,650</u>	<u>189,131</u>	<u>(98,481)</u>
Excess (deficiency) of revenues over (under) expenditures	5,150	78,771	73,621
Other financing sources (uses):			
Transfers out	(39,000)	(29,000)	10,000
Total other financing sources (uses)	<u>(39,000)</u>	<u>(29,000)</u>	<u>10,000</u>
Net change in fund balances	(33,850)	49,771	83,621
Fund balances, October 1	813,256	813,256	--
Fund balances, September 30	<u>\$ 779,406</u>	<u>\$ 863,027</u>	<u>\$ 83,621</u>



**CITY OF ROCKWALL, TEXAS**  
 RECREATIONAL DEVELOPMENT FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-7

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 305,000	\$ 327,932	\$ 22,932
Interest income	--	(3)	(3)
Donations	30,000	32,500	2,500
Total revenues	<u>335,000</u>	<u>360,429</u>	<u>25,429</u>
Expenditures:			
Current:			
Parks and recreation	150,000	140,624	9,376
Total current	<u>150,000</u>	<u>140,624</u>	<u>9,376</u>
Capital outlay:			
Parks and recreation	--	49,374	(49,374)
Total capital outlay	<u>--</u>	<u>49,374</u>	<u>(49,374)</u>
Total expenditures	<u>150,000</u>	<u>189,998</u>	<u>(39,998)</u>
Excess (deficiency) of revenues over (under) expenditures	185,000	170,431	(14,569)
Other financing sources (uses):			
Transfers out	(50,000)	(50,000)	--
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>--</u>
Net change in fund balances	135,000	120,431	(14,569)
Fund balances, October 1	83,357	83,357	--
Fund balances, September 30	<u>\$ 218,357</u>	<u>\$ 203,788</u>	<u>\$ (14,569)</u>

**CITY OF ROCKWALL, TEXAS**  
 RADIO SYSTEM  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-8

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 39,200	\$ 39,239	\$ 39
Total revenues	<u>39,200</u>	<u>39,239</u>	<u>39</u>
Expenditures:			
Current:			
Administration	184,500	188,240	(3,740)
Total current	<u>184,500</u>	<u>188,240</u>	<u>(3,740)</u>
Total expenditures	<u>184,500</u>	<u>188,240</u>	<u>(3,740)</u>
Excess (deficiency) of revenues over (under) expenditures	(145,300)	(149,001)	(3,701)
Other financing sources (uses):			
Transfers in	150,000	150,000	--
Total other financing sources (uses)	<u>150,000</u>	<u>150,000</u>	<u>--</u>
Net change in fund balances	4,700	999	(3,701)
Fund balances, October 1	15,163	15,163	--
Fund balances, September 30	<u>\$ 19,863</u>	<u>\$ 16,162</u>	<u>\$ (3,701)</u>

**CITY OF ROCKWALL, TEXAS**  
 STREET IMPROVEMENTS FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-9

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Interest income	\$ 500	\$ 41	\$ (459)
Miscellaneous	64,200	71,154	6,954
Total revenues	<u>64,700</u>	<u>71,195</u>	<u>6,495</u>
Expenditures:			
Capital outlay:			
Administration	162,500	162,500	--
Total capital outlay	<u>162,500</u>	<u>162,500</u>	--
Total expenditures	<u>162,500</u>	<u>162,500</u>	--
Net change in fund balances	(97,800)	(91,305)	6,495
Fund balances, October 1	1,099,507	1,099,507	--
Fund balances, September 30	<u>\$ 1,001,707</u>	<u>\$ 1,008,202</u>	<u>\$ 6,495</u>

**CITY OF ROCKWALL, TEXAS**  
HOTEL MOTEL TAX  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-10

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Sales taxes	\$ 275,000	\$ 292,485	\$ 17,485
Total revenues	<u>275,000</u>	<u>292,485</u>	<u>17,485</u>
Expenditures:			
Current:			
Finance	287,500	302,777	(15,277)
Total current	<u>287,500</u>	<u>302,777</u>	<u>(15,277)</u>
Total expenditures	<u>287,500</u>	<u>302,777</u>	<u>(15,277)</u>
Net change in fund balances	(12,500)	(10,292)	2,208
Fund balances, October 1	136,912	136,912	--
Fund balances, September 30	<u>\$ 124,412</u>	<u>\$ 126,620</u>	<u>\$ 2,208</u>

**CITY OF ROCKWALL, TEXAS**  
 FIRE EQUIPMENT FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-11

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for services	\$ 93,600	\$ 93,600	\$ --
Interest income	5,500	--	(5,500)
Miscellaneous	75,000	80,501	5,501
Total revenues	<u>174,100</u>	<u>174,101</u>	<u>1</u>
Expenditures:			
Current:			
Fire	11,000	7,372	3,628
Total current	<u>11,000</u>	<u>7,372</u>	<u>3,628</u>
Capital outlay:			
Fire	78,500	35,048	43,452
Total capital outlay	<u>78,500</u>	<u>35,048</u>	<u>43,452</u>
Total expenditures	<u>89,500</u>	<u>42,420</u>	<u>47,080</u>
Net change in fund balances	84,600	131,681	47,081
Fund balances, October 1	279,922	279,922	--
Fund balances, September 30	<u>\$ 364,522</u>	<u>\$ 411,603</u>	<u>\$ 47,081</u>

**CITY OF ROCKWALL, TEXAS**  
 AVIATION FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-12

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 7,500	\$ 8,619	\$ 1,119
Miscellaneous	9,000	22,787	13,787
Total revenues	<u>16,500</u>	<u>31,406</u>	<u>14,906</u>
Expenditures:			
Current:			
Administration	70,100	76,591	(6,491)
Total current	<u>70,100</u>	<u>76,591</u>	<u>(6,491)</u>
Total expenditures	<u>70,100</u>	<u>76,591</u>	<u>(6,491)</u>
Excess (deficiency) of revenues over (under) expenditures	(53,600)	(45,185)	8,415
Other financing sources (uses):			
Transfers in	25,000	25,000	--
Total other financing sources (uses)	<u>25,000</u>	<u>25,000</u>	<u>--</u>
Net change in fund balances	(28,600)	(20,185)	8,415
Fund balances, October 1	29,110	29,110	--
Fund balances, September 30	<u>\$ 510</u>	<u>\$ 8,925</u>	<u>\$ 8,415</u>

**CITY OF ROCKWALL, TEXAS**  
 RECYCLING FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-13

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Miscellaneous	\$ 29,800	\$ 25,456	\$ (4,344)
Total revenues	<u>29,800</u>	<u>25,456</u>	<u>(4,344)</u>
Expenditures:			
Current:			
Administration	14,000	12,162	1,838
Total current	<u>14,000</u>	<u>12,162</u>	<u>1,838</u>
Total expenditures	<u>14,000</u>	<u>12,162</u>	<u>1,838</u>
Net change in fund balances	15,800	13,294	(2,506)
Fund balances, October 1	80,080	80,080	--
Fund balances, September 30	<u>\$ 95,880</u>	<u>\$ 93,374</u>	<u>\$ (2,506)</u>

**CITY OF ROCKWALL, TEXAS**  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-14

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes, penalty and interest	\$ 8,247,000	\$ 8,243,186	\$ (3,814)
Interest income	1,000	(110)	(1,110)
Miscellaneous	390,000	444,282	54,282
Total revenues	<u>8,638,000</u>	<u>8,687,358</u>	<u>49,358</u>
Expenditures:			
Current:			
Police	117,150	112,645	4,505
Total current	<u>117,150</u>	<u>112,645</u>	<u>4,505</u>
Debt service:			
Principal	4,998,050	4,998,038	12
Interest	3,928,550	3,979,531	(50,981)
Fiscal charges	10,000	10,500	(500)
Total debt service:	<u>8,936,600</u>	<u>8,988,069</u>	<u>(51,469)</u>
Total expenditures	<u>9,053,750</u>	<u>9,100,714</u>	<u>(46,964)</u>
Excess (deficiency) of revenues over (under) expenditures	(415,750)	(413,356)	2,394
Other financing sources (uses):			
Transfers out	--	(35,800)	(35,800)
Total other financing sources (uses)	<u>--</u>	<u>(35,800)</u>	<u>(35,800)</u>
Net change in fund balances	(415,750)	(449,156)	(33,406)
Fund balances, October 1	1,221,201	1,221,201	--
Fund balances, September 30	<u>\$ 805,451</u>	<u>\$ 772,045</u>	<u>\$ (33,406)</u>



**CITY OF ROCKWALL, TEXAS**  
HARBOR DEBT SERVICE  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-15

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes, penalty and interest	\$ 610,100	\$ 659,233	\$ 49,133
Sales taxes	320,000	313,520	(6,480)
Total revenues	<u>930,100</u>	<u>972,753</u>	<u>42,653</u>
Expenditures:			
Current:			
Parks and recreation	6,000	--	6,000
Total current	<u>6,000</u>	<u>--</u>	<u>6,000</u>
Debt service:			
Principal	270,000	270,000	--
Interest	634,300	634,256	44
Total debt service:	<u>904,300</u>	<u>904,256</u>	<u>44</u>
Total expenditures	<u>910,300</u>	<u>904,256</u>	<u>6,044</u>
Excess (deficiency) of revenues over (under) expenditures	19,800	68,497	48,697
Other financing sources (uses):			
Transfers in	281,800	35,800	(246,000)
Total other financing sources (uses)	<u>281,800</u>	<u>35,800</u>	<u>(246,000)</u>
Net change in fund balances	301,600	104,297	(197,303)
Fund balances, October 1	97,518	97,518	--
Fund balances, September 30	<u>\$ 399,118</u>	<u>\$ 201,815</u>	<u>\$ (197,303)</u>

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**CITY OF ROCKWALL, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 SEPTEMBER 30, 2013

	<u>Capital Projects</u>	<u>Equipment Acquisition</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 248,293	\$ 109,475
Investments	349,966	1,191,232
Receivables (net of allowances for uncollectibles):		
Accrued interest	3,564	922
<b>Total Assets</b>	<u>\$ 601,823</u>	<u>\$ 1,301,629</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 3,540	\$ 55,451
<b>Total Liabilities</b>	<u>3,540</u>	<u>55,451</u>
<b>FUND BALANCES</b>		
Assigned	598,283	1,246,178
<b>Total Fund Balances</b>	<u>598,283</u>	<u>1,246,178</u>
<b>Total Liabilities, Deferred Inflows     of Resources and Fund Balances</b>	<u>\$ 601,823</u>	<u>\$ 1,301,629</u>

205 Bypass Project	Harbor/TIF Projects	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
\$ 317,781 --	\$ 889,061 2,359,812	\$ 1,564,610 3,901,010
\$ -- <u>317,781</u>	\$ -- <u>3,248,873</u>	\$ 4,486 <u>5,470,106</u>
\$ -- <u>--</u>	\$ 863,132 <u>863,132</u>	\$ 922,123 <u>922,123</u>
<u>317,781</u> <u>317,781</u>	<u>2,385,741</u> <u>2,385,741</u>	<u>4,547,983</u> <u>4,547,983</u>
<u>\$ 317,781</u>	<u>\$ 3,248,873</u>	<u>\$ 5,470,106</u>

**CITY OF ROCKWALL, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Capital Projects	Equipment Acquisition
Revenues:		
Interest income	\$ (90,897)	\$ (8,115)
Miscellaneous	--	225
Donations	--	--
Total revenues	<u>(90,897)</u>	<u>(7,890)</u>
Expenditures:		
Capital outlay:		
Administration	2,251,513	372,104
Finance	--	124,302
Municipal court	--	205,947
Police	--	15,466
Fire	--	2,068,851
Total capital outlay	<u>2,251,513</u>	<u>2,786,670</u>
Debt service:		
Bond issuance cost	--	19,707
Total debt service:	<u>--</u>	<u>19,707</u>
Total expenditures	<u>2,251,513</u>	<u>2,806,377</u>
Excess (deficiency) of revenues over (under) expenditures	(2,342,410)	(2,814,267)
Other financing sources (uses):		
Transfers in	--	141,650
Issuance of long-term debt	--	2,625,000
Premium on bonds issued	--	64,806
Discount on bonds issued	--	(14,476)
Total other financing sources (uses)	<u>--</u>	<u>2,816,980</u>
Net change in fund balances	(2,342,410)	2,713
Fund balances, October 1	2,940,693	1,243,465
Fund balances, September 30	<u>\$ 598,283</u>	<u>\$ 1,246,178</u>

205 Bypass Project	Harbor/TIF Projects	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
\$ --	\$ 26	\$ (98,986)
--	--	225
59	--	59
<u>59</u>	<u>26</u>	<u>(98,702)</u>
193,250	767,332	3,584,199
--	--	124,302
--	--	205,947
--	--	15,466
--	--	2,068,851
<u>193,250</u>	<u>767,332</u>	<u>5,998,765</u>
--	--	19,707
<u>--</u>	<u>--</u>	<u>19,707</u>
193,250	767,332	6,018,472
(193,191)	(767,306)	(6,117,174)
--	1,244,000	1,385,650
--	--	2,625,000
--	--	64,806
--	--	(14,476)
<u>--</u>	<u>1,244,000</u>	<u>4,060,980</u>
(193,191)	476,694	(2,056,194)
510,972	1,909,047	6,604,177
<u>\$ 317,781</u>	<u>\$ 2,385,741</u>	<u>\$ 4,547,983</u>

**CITY OF ROCKWALL, TEXAS**  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 SEPTEMBER 30, 2013

	Employee Benefits	Workers' Compensation	Total Internal Service Funds (See Exhibit A-7)
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 155,222	\$ 13,195	\$ 168,417
Investments	377,106	400,232	777,338
Other receivables	183,147	--	183,147
Total current assets	<u>715,475</u>	<u>413,427</u>	<u>1,128,902</u>
Total Assets	<u>715,475</u>	<u>413,427</u>	<u>1,128,902</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 653,514	\$ 109,978	\$ 763,492
Total current liabilities	<u>653,514</u>	<u>109,978</u>	<u>763,492</u>
Total Liabilities	<u>653,514</u>	<u>109,978</u>	<u>763,492</u>
<b>NET POSITION</b>			
Unrestricted	61,961	303,449	365,410
Total Net Position	<u>\$ 61,961</u>	<u>\$ 303,449</u>	<u>\$ 365,410</u>

**CITY OF ROCKWALL, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Employee Benefits	Workers' Compensation	Total Internal Service Funds (See Exhibit A-8)
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 959,454	\$ --	\$ 959,454
Total Operating Revenues	<u>959,454</u>	<u>--</u>	<u>959,454</u>
<b>OPERATING EXPENSES:</b>			
Contractual services	3,441,641	218,765	3,660,406
Total Operating Expenses	<u>3,441,641</u>	<u>218,765</u>	<u>3,660,406</u>
Operating Income (Loss)	<u>(2,482,187)</u>	<u>(218,765)</u>	<u>(2,700,952)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Interest income	(221)	(232)	(453)
Miscellaneous income	24,095	500	24,595
Total Non-operating Revenues (Expenses)	<u>23,874</u>	<u>268</u>	<u>24,142</u>
Net Income (Loss) before Operating Transfers	<u>(2,458,313)</u>	<u>(218,497)</u>	<u>(2,676,810)</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS:</b>			
Capital contributions	--	--	--
Transfers in	3,125,000	30,000	3,155,000
Transfers from component unit	--	--	--
Transfers out	--	--	--
Total Transfers and Capital Contributions	<u>3,125,000</u>	<u>30,000</u>	<u>3,155,000</u>
Change in net position	<u>666,687</u>	<u>(188,497)</u>	<u>478,190</u>
Net position, October 1	(604,726)	491,946	(112,780)
Net position, September 30	\$ <u>61,961</u>	\$ <u>303,449</u>	\$ <u>365,410</u>



**CITY OF ROCKWALL, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Employee Benefits	Workers' Compensation	Total Internal Service Funds (See Exhibit A-9)
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Customers	\$ 894,381	\$ 500	\$ 894,881
Cash Payments to Suppliers for Goods and Services	(3,179,669)	(146,755)	(3,326,424)
Net Cash Provided (Used) by Operating Activities	<u>(2,285,288)</u>	<u>(146,255)</u>	<u>(2,431,543)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>			
Cash Received from Other Funds	3,125,000	30,000	3,155,000
Cash Paid to Other Funds	(387,219)	(20,550)	(407,769)
Net Cash Provided (Used) by Non-capital Financing Activities	<u>2,737,781</u>	<u>9,450</u>	<u>2,747,231</u>
<b>Cash Flows from Investing Activities:</b>			
Purchase of Investment Securities	(50,364)	--	(50,364)
Proceeds from Sale and Maturities of Securities	--	20,572	20,572
Interest and Dividends on Investments	(221)	(232)	(453)
Net Cash Provided (Used) for Investing Activities	<u>(50,585)</u>	<u>20,340</u>	<u>(30,245)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	401,908	(116,465)	285,443
Cash and Cash Equivalents at Beginning of Year	78,780	475,085	553,865
Cash and Cash Equivalents at End of Year	480,688	358,620	839,308
Cash Equivalents Included in Investments	(325,466)	(345,425)	(670,891)
Net Cash and Cash Equivalents	<u>\$ 155,222</u>	<u>\$ 13,195</u>	<u>\$ 168,417</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating Income (Loss)	\$ (2,482,187)	\$ (218,765)	\$ (2,700,952)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Miscellaneous income	24,095	500	24,595
Change in Assets and Liabilities:			
Decrease (Increase) in Receivables	(89,168)	--	(89,168)
Increase (Decrease) in Accounts Payable	261,972	72,010	333,982
Total Adjustments	<u>196,899</u>	<u>72,510</u>	<u>269,409</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,285,288)</u>	<u>\$ (146,255)</u>	<u>\$ (2,431,543)</u>

**CITY OF ROCKWALL, TEXAS**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 SPECIAL ESCROW AGENCY FUND  
 YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-21

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
<b>ASSETS</b>				
Cash	\$ 266,539	\$ 148,245	\$ 215,890	\$ 198,894
Investments	943,460	177,521	27,248	1,093,733
Accrued interest receivable	10,361	--	9,397	964
Total Assets	<u>\$ 1,220,360</u>	<u>\$ 325,766</u>	<u>\$ 252,535</u>	<u>\$ 1,293,591</u>
<b>LIABILITIES</b>				
Due to developers	\$ 1,220,360	\$ 325,766	\$ 252,535	\$ 1,293,591
Total Liabilities	<u>\$ 1,220,360</u>	<u>\$ 325,766</u>	<u>\$ 252,535</u>	<u>\$ 1,293,591</u>

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Capital Assets Used in the  
Operation of Governmental Funds

**CITY OF ROCKWALL, TEXAS**  
 COMPARATIVE SCHEDULES BY SOURCE OF  
 CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2013 AND 2012

EXHIBIT C-22

	<u>2013</u>	<u>2012</u>
Governmental capital assets:		
Land	\$ 14,377,674	\$ 14,102,412
Buildings	19,683,459	18,205,698
Improvements other than buildings	29,334,932	28,212,192
Machinery and equipment	17,128,172	14,653,437
Infrastructure	194,195,174	183,944,803
Construction in progress	7,892,474	9,946,346
Total governmental capital assets	<u>\$ 282,611,885</u>	<u>\$ 269,064,888</u>
Investment in governmental capital assets by source:		
Bond proceeds	\$ 145,795,930	\$ 138,132,745
General government	45,994,003	43,933,868
Grants and entitlements	2,673,841	2,554,248
Developer contributions	88,148,111	84,444,027
Total governmental capital assets by source	<u>\$ 282,611,885</u>	<u>\$ 269,064,888</u>

**CITY OF ROCKWALL, TEXAS**

SCHEDULE BY FUNCTION AND ACTIVITY OF  
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013

EXHIBIT C-23

Function and Activity	Land	Construction in Progress	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total
General government	\$ 3,164,065	\$ 7,892,474	\$ 6,259,729	\$ 4,657,900	\$ 3,552,312	--	\$ 25,526,480
Public works	8,499,781	--	357,984	1,532,174	1,343,193	194,195,174	205,928,306
Public safety	1,020,430	--	3,476,027	12,802	4,141,746	--	8,651,005
Recreational/development	1,693,398	--	2,293,648	23,132,056	1,297,322	--	28,416,424
Fire equipment	--	--	7,296,071	--	6,793,599	--	14,089,670
Total Governmental Capital Assets	\$ 14,377,674	\$ 7,892,474	\$ 19,683,459	\$ 29,334,932	\$ 17,128,172	\$ 194,195,174	\$ 282,611,885

**CITY OF ROCKWALL, TEXAS**

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY OF  
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-24

Function and Activity	Capital Assets October 1, 2012	Additions	Deductions	Transfers	Capital Assets September 30, 2013
General government	\$ 26,928,464	\$ 8,029,136	(189,666)	\$ (9,241,454)	\$ 25,526,480
Public works	194,841,358	3,858,930	(21,462)	7,249,480	205,928,306
Public Safety	6,611,277	567,171	(128,613)	1,601,170	8,651,005
Recreation/development	28,024,302	24,560	(23,242)	390,804	28,416,424
Fire Equipment	12,659,487	1,706,600	(276,417)	--	14,089,670
Total governmental funds Capital Assets	<u>\$ 269,064,888</u>	<u>\$ 14,186,397</u>	<u>(639,400)</u>	<u>--</u>	<u>\$ 282,611,885</u>

## Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.



### *DISCRETELY PRESENTED COMPONENT UNITS*

The Rockwall Economic Development Corporation (REDC) represents the City by promoting it as a location for new business. It also acquires and develops land for that purpose. REDC collects a half-cent sales tax to support its activities.

The Rockwall Technology Park Association (RTPA) provides repair and maintenance of the common area within the park developed by REDC.

**CITY OF ROCKWALL, TEXAS**

COMBINING STATEMENT OF NET POSITION - DISCRETE COMPONENT UNITS  
 SEPTEMBER 30, 2013

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 26,870	\$ 23,706	\$ 50,576
Investments	12,954,754	40,424	12,995,178
Receivables (net of allowances for uncollectibles)	88,778	8,610	97,388
Internal balances	--	--	--
Due from other governments	707,550	--	707,550
Inventories	15,653,772	--	15,653,772
Deposits	43,474	--	43,474
Restricted assets:			
Capital assets (net of accumulated depreciation)			
Machinery and equipment	43,954	--	43,954
Total Assets	<u>29,519,152</u>	<u>72,740</u>	<u>29,591,892</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred bond issue cost - insurance	11,392	--	11,392
Deferred charge on refunding	39,102	--	39,102
Total Deferred Outflow of Resources	<u>50,494</u>	<u>--</u>	<u>50,494</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	465,015	25,292	490,307
Liabilities payable from restricted assets -			
Noncurrent liabilities:			
Due within one year	1,828,331	--	1,828,331
Due in more than one year	26,605,346	--	26,605,346
Total Liabilities	<u>28,898,692</u>	<u>25,292</u>	<u>28,923,984</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	43,954	--	43,954
Unrestricted	627,000	47,448	674,448
Total Net Position	<u>\$ 670,954</u>	<u>\$ 47,448</u>	<u>\$ 718,402</u>

**CITY OF ROCKWALL, TEXAS**

COMBINING STATEMENT OF ACTIVITIES - DISCRETE COMPONENT UNITS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Capital Grants and Contributions
<b>DISCRETE COMPONENT UNITS:</b>			
Rockwall Economic Development Corporation			
Administration	\$ 2,124,286	\$ --	\$ 77,129
Interest on long-term debt	1,091,658	--	--
Total Rockwall Economic Development Corporation	<u>3,215,944</u>	<u>--</u>	<u>77,129</u>
Administration			
Rockwall Technology Park Association			
Administration	147,379	157,401	--
Total Primary Government	<u>\$ 3,363,323</u>	<u>\$ 157,401</u>	<u>\$ 77,129</u>

General Revenues:  
 Sales Taxes  
 Franchise Taxes  
 Miscellaneous  
 Unrestricted Investment Earnings  
 Transfers  
 Total General Revenues and Transfers  
 Change in Net Position  
 Net Position - Beginning  
 Net Position - Ending

Net (Expense) Revenue and Changes in Net Position

<u>REDC</u>	<u>RTPA</u>	<u>Total</u>
\$ (2,047,157)		\$ (2,047,157)
(1,091,658)		(1,091,658)
<u>(3,138,815)</u>		<u>(3,138,815)</u>
	\$ 10,022	10,022
<u>(3,138,815)</u>	<u>10,022</u>	<u>(3,128,793)</u>
4,528,427	--	4,528,427
160,000	--	160,000
314,511	--	314,511
2,906	11	2,917
<u>5,005,844</u>	<u>11</u>	<u>5,005,855</u>
1,867,029	10,033	1,877,062
(1,196,075)	37,415	(1,158,660)
<u>\$ 670,954</u>	<u>\$ 47,448</u>	<u>\$ 718,402</u>

**CITY OF ROCKWALL, TEXAS**COMBINING BALANCE SHEET - DISCRETE COMPONENT UNITS  
SEPTEMBER 30, 2013

	Economic Development Corporation	Rockwall Technology Park	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 26,870	\$ 23,706	\$ 50,576
Investments	12,954,754	40,424	12,995,178
Receivables (net of allowances for uncollectibles):			
Accrued interest	141	--	141
Accounts receivable	88,637	8,610	97,247
Due from other governments	707,550	--	707,550
Inventory	15,653,772	--	15,653,772
Deposits	43,474	--	43,474
Total Assets	<u>\$ 29,475,198</u>	<u>\$ 72,740</u>	<u>\$ 29,547,938</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 281,340	\$ 25,292	\$ 306,632
Total Liabilities	<u>281,340</u>	<u>25,292</u>	<u>306,632</u>
<b>Fund balances:</b>			
Nonspendable	15,653,772	--	15,653,772
Restricted	13,540,086	47,448	13,587,534
Total fund balances	<u>29,193,858</u>	<u>47,448</u>	<u>29,241,306</u>
Total Liabilities and Fund Balances	<u>\$ 29,475,198</u>	<u>\$ 72,740</u>	<u>\$ 29,547,938</u>

**CITY OF ROCKWALL, TEXAS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION - DISCRETE COMPONENT UNITS  
SEPTEMBER 30, 2013

Total fund balances - governmental funds balance sheet	\$ 29,241,306
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	43,954
Payables for bond principal which are not due in the current period are not reported in the funds.	(28,409,298)
Payables for bond interest which are not due in the current period are not reported in the funds.	(183,675)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(24,379)
Deferred resource outflows are not available to pay for current period expenditures and are deferred in the funds.	<u>50,494</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 718,402</u>

**CITY OF ROCKWALL, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - DISCRETE COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Economic Development Corporation	Rockwall Technology Park	Total Governmental Funds
Revenues:			
Sales taxes	\$ 4,528,426	\$ --	\$ 4,528,426
Franchise taxes	160,000	--	160,000
Intergovernmental	77,129	--	77,129
Interest income	2,906	11	2,917
Miscellaneous	314,511	157,401	471,912
Total revenues	<u>5,082,972</u>	<u>157,412</u>	<u>5,240,384</u>
	5,082,972		
Expenditures:			
Current:			
Administration	1,137,693	147,379	1,285,072
Total current	<u>1,137,693</u>	<u>147,379</u>	<u>1,285,072</u>
Capital outlay:			
Administration	1,005,234	--	1,005,234
Total capital outlay	<u>1,005,234</u>	<u>--</u>	<u>1,005,234</u>
Debt service:			
Principal	1,275,000	--	1,275,000
Interest	968,817	--	968,817
Fiscal charges	4,000	--	4,000
Bond issuance cost	97,902	--	97,902
Total debt service:	<u>2,345,719</u>	<u>--</u>	<u>2,345,719</u>
Total expenditures	<u>4,488,646</u>	<u>147,379</u>	<u>4,636,025</u>
Excess (deficiency) of revenues over (under) expenditures	594,326	10,033	604,359
Other financing sources (uses):			
Issuance of long-term debt	12,193,592	--	12,193,592
Premium on bonds issued	187,877	--	187,877
Discount on bonds issued	(76,179)	--	(76,179)
Total other financing sources (uses)	<u>12,305,290</u>	<u>--</u>	<u>12,305,290</u>
Net change in fund balances	12,899,616	10,033	12,909,649
Fund balances, October 1	16,294,242	37,415	16,331,657
Fund balances, September 30	<u>\$ 29,193,858</u>	<u>\$ 47,448</u>	<u>\$ 29,241,306</u>

**CITY OF ROCKWALL, TEXAS**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES - DISCRETE COMPONENT UNITS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

Net change in fund balances - total governmental funds	\$ 12,909,649
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	29,826
The depreciation of capital assets used in governmental activities is not reported in the funds.	(4,146)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,275,000
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(11,976)
(Increase) decrease in accrued interest from beginning of period to end of period.	(23,939)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	7,937
Proceeds of long-term debt is recognized as other financial resources in the funds but not revenue in the SOA.	(12,193,592)
Bond premiums are reported in the funds but not in the SOA.	(187,877)
Bond discounts are reported in the funds but not in the SOA.	76,180
	<u>1,877,062</u>
Change in net position of governmental activities - Statement of Activities	\$ <u>1,877,062</u>

The accompanying notes are an integral part of this statement.



**CITY OF ROCKWALL, TEXAS**  
 ECONOMIC DEVELOPMENT CORPORATION  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-31

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Sales taxes	\$ 4,419,400	\$ 4,528,426	\$ 109,026
Franchise taxes	160,000	160,000	--
Intergovernmental	85,000	77,129	(7,871)
Interest income	3,500	2,906	(594)
Miscellaneous	--	314,511	314,511
Total revenues	<u>4,667,900</u>	<u>5,082,972</u>	<u>415,072</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Administration	1,157,350	1,137,693	19,657
Total current	<u>1,157,350</u>	<u>1,137,693</u>	<u>19,657</u>
<b>Capital outlay:</b>			
Administration	5,849,800	1,005,234	4,844,566
Total capital outlay	<u>5,849,800</u>	<u>1,005,234</u>	<u>4,844,566</u>
<b>Debt service:</b>			
Principal	1,275,000	1,275,000	--
Interest	984,050	968,817	15,233
Fiscal charges	4,500	4,000	500
Bond issuance cost	196,600	97,902	98,698
Total debt service:	<u>2,460,150</u>	<u>2,345,719</u>	<u>114,431</u>
Total expenditures	<u>9,467,300</u>	<u>4,488,646</u>	<u>4,978,654</u>
Excess (deficiency) of revenues over (under) expenditures	(4,799,400)	594,326	5,393,726
<b>Other financing sources (uses):</b>			
Issuance of long-term debt	12,205,000	12,193,592	(11,408)
Premium on bonds issued	--	187,877	187,877
Discount on bonds issued	--	(76,179)	76,179
Total other financing sources (uses)	<u>12,205,000</u>	<u>12,305,290</u>	<u>(100,290)</u>
Net change in fund balances	7,405,600	12,899,616	5,494,016
Fund balances, October 1	16,294,242	16,294,242	--
Fund balances, September 30	<u>\$ 23,699,842</u>	<u>\$ 29,193,858</u>	<u>\$ 5,494,016</u>

**CITY OF ROCKWALL, TEXAS**

ROCKWALL TECHNOLOGY PARK ASSOCIATION  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-32

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Interest income	\$ 50	\$ 11	\$ (39)
Miscellaneous	170,050	157,401	(12,649)
Total revenues	<u>170,100</u>	<u>157,412</u>	<u>(12,688)</u>
Expenditures:			
Current:			
Administration	170,100	147,379	22,721
Total current	<u>170,100</u>	<u>147,379</u>	<u>22,721</u>
Total expenditures	<u>170,100</u>	<u>147,379</u>	<u>22,721</u>
Net change in fund balances	--	10,033	10,033
Fund balances, October 1	37,415	37,415	--
Fund balances, September 30	<u>\$ 37,415</u>	<u>\$ 47,448</u>	<u>\$ 10,033</u>

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# STATISTICAL SECTION

This part of the City of Rockwall, Texas's comprehensive 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.

<b>Contents</b>	<b>Page</b>
Financial Trends	127
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	136
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	144
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	149
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	152
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.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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CITY OF ROCKWALL, TEXAS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(unaudited)

TABLE D-1

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 89,523,344	\$ 89,851,392	\$ 91,085,278	\$ 89,101,460	\$ 88,367,580	\$ 63,546,273	\$ 49,487,300	\$ 34,020,634	\$ 41,346,180	\$ 47,695,043
Restricted	2,353,423	16,124,192	1,774,193	11,788,623	2,306,529	14,222,187	23,258,947	37,748,076	17,051,680	5,897,961
Unrestricted	14,253,372	238,981	13,400,417	4,308,457	12,955,777	13,643,810	13,386,297	11,683,150	11,850,426	10,242,495
<b>Total governmental activities net position</b>	<b>\$ 106,130,139</b>	<b>\$ 106,214,565</b>	<b>\$ 106,259,888</b>	<b>\$ 105,198,540</b>	<b>\$ 103,629,886</b>	<b>\$ 91,412,270</b>	<b>\$ 86,132,544</b>	<b>\$ 83,451,860</b>	<b>\$ 70,248,286</b>	<b>\$ 63,835,499</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 60,558,579	\$ 58,888,435	\$ 58,139,970	\$ 54,288,096	\$ 53,418,392	\$ 48,127,382	\$ 47,893,027	\$ 41,923,596	\$ 37,368,956	\$ 38,406,139
Restricted	2,125,250	2,306,207	2,992,291	6,221,719	7,568,701	17,888,236	14,620,878	18,060,049	18,350,884	11,698,161
Unrestricted	3,208,557	4,300,793	6,124,975	5,340,103	6,162,163	5,283,929	5,463,619	7,081,727	7,475,827	9,457,896
<b>Total business-type activities net position</b>	<b>\$ 65,892,386</b>	<b>\$ 65,495,435</b>	<b>\$ 67,257,236</b>	<b>\$ 65,849,918</b>	<b>\$ 67,149,256</b>	<b>\$ 71,299,547</b>	<b>\$ 67,977,524</b>	<b>\$ 67,065,372</b>	<b>\$ 63,195,667</b>	<b>\$ 59,562,196</b>
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 150,081,923	\$ 148,739,827	\$ 149,225,248	\$ 143,389,556	\$ 141,785,972	\$ 111,673,655	\$ 97,380,327	\$ 75,944,230	\$ 78,715,136	\$ 86,101,182
Restricted	4,478,673	18,430,399	4,766,484	18,010,342	9,875,230	32,110,423	37,879,825	55,808,125	35,402,564	17,596,122
Unrestricted	17,461,929	4,539,774	19,525,392	9,648,560	19,117,940	18,927,739	18,849,916	18,764,877	19,326,253	19,700,391
<b>Total primary government net position</b>	<b>\$ 172,022,525</b>	<b>\$ 171,710,000</b>	<b>\$ 173,517,124</b>	<b>\$ 171,048,458</b>	<b>\$ 170,779,142</b>	<b>\$ 162,711,817</b>	<b>\$ 154,110,068</b>	<b>\$ 150,517,232</b>	<b>\$ 133,443,953</b>	<b>\$ 123,397,695</b>

CITY OF ROCKWALL, TEXAS  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(unaudited)

TABLE D-2

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>										
<b>Governmental activities:</b>										
Mayor/Council	\$ 102,993	\$ 106,959	\$ 111,494	\$ 116,372	\$ 109,844	\$ 117,366	\$ 111,555	\$ 108,366	\$ 78,114	\$ 74,416
Administration	7,565,249	7,631,175	7,183,587	6,862,780	6,707,709	7,384,773	5,523,924	6,040,692	4,908,083	5,757,527
Finance	951,808	1,360,201	1,331,943	1,294,888	1,409,054	1,338,894	1,138,210	1,027,654	954,840	877,537
Municipal Court	357,208	358,745	362,149	353,147	334,922	312,601	298,383	304,492	295,379	254,210
Police	9,441,521	8,836,213	8,423,470	8,609,827	8,384,774	7,130,698	7,001,771	6,095,435	6,372,344	6,862,707
Fire	3,172,688	3,002,941	2,734,296	2,741,288	2,201,236	2,242,829	2,207,468	1,889,269	1,144,577	1,530,503
Public Works	8,651,550	8,398,043	8,008,701	6,669,448	5,482,571	7,094,068	6,928,067	5,530,219	4,753,190	6,155,726
Community Development	2,432,153	1,185,114	1,203,407	1,210,519	1,350,023	2,229,753	2,018,363	1,781,548	1,680,857	1,493,249
Parks and Recreation	4,825,050	6,003,610	5,843,647	5,805,241	5,250,506	4,025,927	3,088,750	2,583,547	2,329,095	2,323,558
Interest on long-term debt	4,714,902	4,666,567	4,554,433	4,717,319	4,669,459	4,418,519	3,612,523	2,179,950	1,136,584	1,277,825
<b>Total governmental activities expenses</b>	<b>42,215,122</b>	<b>41,549,568</b>	<b>39,757,127</b>	<b>38,380,829</b>	<b>35,900,098</b>	<b>36,295,428</b>	<b>31,929,014</b>	<b>27,541,172</b>	<b>23,653,063</b>	<b>26,607,258</b>
<b>Business-type activities:</b>										
Water and Sewer	16,723,552	15,549,248	14,715,610	13,916,192	13,272,884	12,206,742	10,917,707	10,253,226	8,777,277	7,061,272
<b>Total business-type activities expenses</b>	<b>16,723,552</b>	<b>15,549,248</b>	<b>14,715,610</b>	<b>13,916,192</b>	<b>13,272,884</b>	<b>12,206,742</b>	<b>10,917,707</b>	<b>10,253,226</b>	<b>8,777,277</b>	<b>7,061,272</b>
<b>Total primary government expenses</b>	<b>58,938,674</b>	<b>57,098,816</b>	<b>54,472,737</b>	<b>52,297,021</b>	<b>49,172,982</b>	<b>48,502,170</b>	<b>42,846,721</b>	<b>37,794,398</b>	<b>32,430,340</b>	<b>33,668,530</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Community Development	1,163,945	1,125,092	792,029	664,711	1,020,979	1,072,444	1,118,001	1,318,516	1,687,141	1,680,531
Municipal Court	967,113	1,179,016	1,195,552	1,193,019	1,082,488	974,973	989,677	883,228	917,610	928,470
Police	488,631	463,565	550,947	522,919	516,591	658,015	415,637	649,261	720,395	402,980
Other	843,169	814,487	665,314	706,280	667,091	1,252,838	1,275,491	1,771,297	1,012,518	894,130
Operating grants & contributions	358,808	660,140	366,656	59,303	81,199	151,741	1,059,602	783,317	894,114	1,424,824
Capital grants & contributions	3,411,221	2,012,936	4,525,403	4,437,478	8,127,487	6,620,540	3,193,554	11,804,857	5,893,301	6,624,160
<b>Total governmental activities program revenues</b>	<b>7,232,887</b>	<b>6,255,236</b>	<b>8,095,901</b>	<b>7,583,710</b>	<b>11,495,835</b>	<b>10,730,551</b>	<b>8,051,962</b>	<b>17,210,476</b>	<b>11,125,079</b>	<b>11,955,095</b>

CITY OF ROCKWALL, TEXAS  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(unaudited)

TABLE D-2

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Business-type activities:</b>										
Charges for services:										
Water Sales	\$ 8,285,306	\$ 7,780,095	\$ 8,547,662	\$ 6,917,587	\$ 6,574,110	\$ 6,060,043	\$ 4,815,631	\$ 6,547,846	\$ 5,379,382	\$ 4,474,069
Sewer Charges	4,255,951	3,720,357	3,406,283	2,864,595	2,748,160	2,409,614	2,338,820	2,355,821	2,046,425	1,922,989
Other	2,577,650	2,564,063	2,752,625	2,150,155	1,951,945	1,797,390	1,616,873	2,164,135	2,072,748	1,890,686
Operating grants & contributions	-	-	-	-	-	-	-	-	-	-
Capital grants & contributions	3,426,328	1,178,672	2,157,402	1,992,680	3,374,321	5,616,869	2,808,528	4,319,065	3,411,639	6,576,943
<b>Total business-type activities program revenues</b>	<b>18,545,235</b>	<b>15,243,186</b>	<b>16,863,972</b>	<b>13,925,017</b>	<b>14,648,536</b>	<b>15,883,916</b>	<b>11,579,852</b>	<b>15,386,867</b>	<b>12,910,194</b>	<b>14,864,687</b>
<b>Total primary government program revenues</b>	<b>25,778,122</b>	<b>21,498,422</b>	<b>24,959,873</b>	<b>21,508,727</b>	<b>26,144,371</b>	<b>26,614,467</b>	<b>19,631,814</b>	<b>32,597,343</b>	<b>24,035,273</b>	<b>26,819,782</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	(34,982,235)	(35,294,332)	(31,661,226)	(30,797,119)	(24,404,263)	(25,564,877)	(23,877,052)	(10,330,696)	(12,527,984)	(14,652,163)
Business-type activities	1,821,683	(306,062)	2,148,362	8,825	1,375,652	3,677,174	662,145	5,133,641	4,132,917	7,803,415
<b>Total primary government net expense</b>	<b>(33,160,552)</b>	<b>(35,600,394)</b>	<b>(29,512,864)</b>	<b>(30,788,294)</b>	<b>(23,028,611)</b>	<b>(21,887,703)</b>	<b>(23,214,907)</b>	<b>(5,197,055)</b>	<b>(8,395,067)</b>	<b>(6,848,748)</b>
<b>General Revenues and Transfers</b>										
Governmental activities:										
Property taxes	17,870,887	17,321,016	17,204,239	16,735,510	16,422,119	14,780,112	11,827,931	9,063,530	8,111,715	7,265,947
Sales taxes	14,045,093	12,720,023	11,526,555	10,833,397	10,264,401	10,123,636	8,901,929	8,529,051	7,379,841	6,736,054
Other	3,310,417	3,613,020	3,011,917	3,285,081	3,734,068	4,625,450	4,477,541	3,566,689	2,442,815	2,167,786
Transfers	1,217,550	1,594,950	979,863	1,511,785	6,201,291	1,315,405	1,350,335	2,375,000	1,006,400	867,500
<b>Total governmental activities</b>	<b>36,443,947</b>	<b>35,249,009</b>	<b>32,722,574</b>	<b>32,365,773</b>	<b>36,621,879</b>	<b>30,844,603</b>	<b>26,557,736</b>	<b>23,534,270</b>	<b>18,940,771</b>	<b>17,037,287</b>
Business-type activities:										
Other	180,858	139,212	238,819	203,622	675,348	960,254	1,600,342	1,111,064	506,954	519,436
Transfers	(1,217,550)	(1,594,950)	(979,863)	(1,511,785)	(6,201,291)	(1,315,405)	(1,350,335)	(2,375,000)	(1,006,400)	(867,500)
<b>Total business-type activities</b>	<b>(1,036,692)</b>	<b>(1,455,738)</b>	<b>(741,044)</b>	<b>(1,308,163)</b>	<b>(5,525,943)</b>	<b>(355,151)</b>	<b>250,007</b>	<b>(1,263,936)</b>	<b>(499,446)</b>	<b>(348,064)</b>
<b>Total primary government</b>	<b>35,407,255</b>	<b>33,793,271</b>	<b>31,981,530</b>	<b>31,057,610</b>	<b>31,095,936</b>	<b>30,489,452</b>	<b>26,807,743</b>	<b>22,270,334</b>	<b>18,441,325</b>	<b>16,689,223</b>
<b>Change in Net Position</b>										
Governmental activities	1,461,712	(45,323)	1,061,348	1,568,654	12,217,616	5,279,726	2,680,684	13,203,574	6,412,787	2,385,124
Business-type activities	784,991	(1,761,800)	1,407,318	(1,299,338)	(4,150,291)	3,322,023	912,152	3,869,705	3,633,471	7,455,351
<b>Total primary government</b>	<b>\$ 2,246,703</b>	<b>\$ (1,807,123)</b>	<b>\$ 2,468,666</b>	<b>\$ 269,316</b>	<b>\$ 8,067,325</b>	<b>\$ 8,601,749</b>	<b>\$ 3,592,836</b>	<b>\$ 17,073,279</b>	<b>\$ 10,046,258</b>	<b>\$ 9,840,475</b>



CITY OF ROCKWALL, TEXAS  
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
 LAST TEN FISCAL YEARS  
 (accrual basis of accounting)  
 (unaudited)

TABLE D-3

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Total</u>
2004	\$ 7,265,947	\$ 6,736,054	\$ 1,776,406	\$ 15,778,407
2005	8,111,715	7,379,841	1,765,509	17,257,065
2006	9,063,530	8,529,051	2,111,798	19,704,379
2007	11,827,931	8,901,929	2,014,845	22,744,705
2008	14,780,112	10,123,636	2,421,094	27,324,842
2009	16,422,119	10,264,401	2,535,846	29,222,366
2010	16,735,510	10,833,397	2,748,483	30,317,390
2011	17,204,239	11,526,555	2,445,762	31,176,556
2012	17,321,016	12,720,023	2,821,451	32,862,490
2013	17,870,887	14,045,093	2,743,839	34,659,819

CITY OF ROCKWALL, TEXAS  
 BUSINESS TYPE ACTIVITIES REVENUES BY SOURCE  
 (accrual basis of accounting)  
 (unaudited)

TABLE D-4

<u>Fiscal Year</u>	<u>Water Sales</u>	<u>Sewer Charges</u>	<u>Total</u>
2004	\$ 4,474,069	\$ 1,922,989	\$ 6,397,058
2005	5,379,382	2,046,425	7,425,807
2006	6,547,846	2,355,821	8,903,667
2007	4,815,631	2,338,820	7,154,451
2008	6,060,043	2,409,614	8,469,657
2009	6,574,110	2,748,160	9,322,270
2010	6,917,587	2,864,595	9,782,182
2011	8,547,662	3,406,283	11,953,945
2012	7,780,095	3,720,357	11,500,451
2013	8,285,306	4,255,951	12,541,257

CITY OF ROCKWALL, TEXAS  
 FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (unaudited)

TABLE D-5

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 2,870	\$ 2,446	\$ 1,407	\$ 26,130	\$ 26,980	\$ 16,104
Restricted	-	23,038	-	-	-	-	-	-	-	-
Non-spendable	2,514	1,120	2,116	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	9,159,333	8,293,107	8,264,368	8,335,289	7,692,662	7,301,334	6,860,155
Unassigned	11,273,469	9,893,803	10,085,001	-	-	-	-	-	-	-
Total general fund	<u>\$ 11,275,983</u>	<u>\$ 9,917,961</u>	<u>\$ 10,087,117</u>	<u>\$ 9,159,333</u>	<u>\$ 8,295,977</u>	<u>\$ 8,266,814</u>	<u>\$ 8,336,696</u>	<u>\$ 7,718,792</u>	<u>\$ 7,328,314</u>	<u>\$ 6,876,259</u>
All other governmental funds										
Reserved for:										
Debt Service	\$ 772,045	\$ -	\$ -	\$ 930,290	\$ 1,077,236	\$ 835,203	\$ 1,083,320	\$ 1,461,294	\$ 1,155,897	\$ 694,758
Restricted	328,435	1,511,561	1,641,992	-	-	-	-	-	-	-
Committed	2,973,086	2,722,094	2,608,081	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	-	-	-	2,320,833	2,399,605	3,145,275	2,797,330	2,422,376	2,046,410	1,358,357
Capital projects funds	-	-	-	10,319,501	16,906,340	13,094,614	21,877,706	36,529,256	16,113,095	5,271,300
Assigned	15,535,782	14,549,510	16,652,507	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 19,609,348</u>	<u>\$ 18,783,165</u>	<u>\$ 20,902,580</u>	<u>\$ 13,570,624</u>	<u>\$ 20,383,181</u>	<u>\$ 17,075,092</u>	<u>\$ 25,758,356</u>	<u>\$ 40,412,926</u>	<u>\$ 19,315,402</u>	<u>\$ 7,324,415</u>

Note: The City implemented GASB 54 effective for the year ending September 30, 2011.

CITY OF ROCKWALL, TEXAS  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (unaudited)

TABLE D-6

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues</b>										
Ad valorem taxes, penalty and interest	\$ 17,890,435	\$ 17,338,798	\$ 17,329,982	\$ 16,560,766	\$ 16,407,575	\$ 14,708,142	\$ 11,820,994	\$ 8,979,948	\$ 8,140,125	\$ 7,270,408
Sales taxes	14,045,093	12,720,023	11,526,555	10,833,397	10,264,401	10,123,637	8,901,929	8,529,051	7,379,841	6,736,054
Franchise taxes	2,748,707	2,879,585	2,604,569	2,728,251	2,444,296	2,179,847	2,046,674	1,981,016	1,715,242	1,702,156
Charges for services	1,049,134	1,383,158	710,007	713,760	738,146	362,107	417,049	426,996	268,125	266,450
Permits	1,119,438	1,076,770	765,500	651,108	1,005,541	1,122,505	1,132,985	1,325,832	1,718,218	1,709,832
Municipal court	1,050,955	1,141,742	1,157,838	1,173,907	1,056,904	1,177,410	1,019,260	987,066	906,634	937,164
Intergovernmental	440,250	835,948	478,037	506,100	428,747	419,700	1,097,790	1,011,739	3,182,350	1,772,811
Interest income	(21,660)	114,588	136,878	60,429	611,615	1,702,870	2,012,244	1,149,204	304,644	143,269
Miscellaneous	795,304	795,150	661,379	569,258	872,988	837,707	716,896	1,060,866	1,080,366	755,733
Contributions and donations	44,929	727,361	364,975	148,512	2,812,457	775,695	2,241,586	6,251,435	163,635	252,037
<b>Total Revenues</b>	<b>39,162,585</b>	<b>39,013,123</b>	<b>35,735,720</b>	<b>33,945,488</b>	<b>36,642,670</b>	<b>33,409,620</b>	<b>31,407,407</b>	<b>31,703,153</b>	<b>24,859,180</b>	<b>21,545,914</b>
<b>Expenditures</b>										
<b>Current:</b>										
Mayor/council	102,995	106,958	111,494	116,372	109,845	117,366	111,555	108,366	78,114	74,416
Administration	3,821,755	3,690,167	3,402,793	3,353,637	3,358,705	3,056,885	2,750,197	2,910,478	2,708,948	2,324,516
Finance	924,415	1,245,790	1,211,261	1,189,250	1,266,436	1,199,417	1,138,238	1,025,230	952,808	837,800
Municipal court	349,536	337,537	335,082	333,234	318,467	311,706	300,186	303,131	291,348	249,839
Police	8,847,655	8,299,514	7,982,280	8,083,075	7,775,622	6,923,679	6,426,957	6,235,463	6,070,311	6,083,676
Fire	2,383,832	2,347,279	2,146,012	2,179,372	1,618,559	1,451,970	1,340,624	1,242,836	1,075,427	950,622
Public works	2,153,427	2,285,737	2,122,710	1,577,760	1,528,010	2,824,267	2,427,535	2,411,324	2,050,077	2,005,360
Community development	1,139,859	1,164,786	1,178,982	1,130,169	1,258,030	2,219,167	2,002,767	1,783,961	1,682,480	1,477,483
Parks and recreation	4,892,456	4,689,177	4,590,161	4,529,739	4,493,524	2,907,229	2,473,238	2,318,135	1,826,608	1,758,180
<b>Total current</b>	<b>24,615,930</b>	<b>24,166,945</b>	<b>23,080,775</b>	<b>22,492,608</b>	<b>21,727,198</b>	<b>21,011,686</b>	<b>18,971,297</b>	<b>18,338,924</b>	<b>16,736,121</b>	<b>15,761,892</b>
<b>Capital outlay:</b>										
Administration	8,431,896	6,649,805	7,168,226	4,746,948	18,427,890	2,373,369	4,028,933	1,580,706	602,847	623,526
Finance	124,302	224,306	101,525	57,653	78,866	137,035	-	-	-	36,746
Municipal Court	205,947	-	-	-	-	-	-	-	-	3,958
Police	167,587	465,169	274,821	1,316,626	258,623	74,899	225,992	285,150	1,850,771	978,179
Fire	2,167,780	368,805	266,400	434,754	6,462,691	727,795	1,578,623	835,685	711,166	525,888
Public works	-	-	-	24,575	90,798	29,051,639	10,609,516	25,733,888	9,756,038	1,667,682
Community development	-	-	-	-	-	-	2,105	-	519	668
Parks and recreation	65,534	486,159	-	1,095,622	482,177	1,742,004	2,397,348	1,477,499	757,360	600,049
<b>Total capital outlay</b>	<b>11,163,046</b>	<b>8,194,244</b>	<b>7,810,972</b>	<b>7,676,178</b>	<b>25,801,045</b>	<b>34,106,741</b>	<b>18,842,517</b>	<b>29,912,928</b>	<b>13,678,701</b>	<b>4,436,696</b>

CITY OF ROCKWALL, TEXAS  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (unaudited)

TABLE D-6

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Debt service:</b>										
Principal	\$ 5,268,038	\$ 4,933,038	\$ 4,278,038	\$ 4,458,038	\$ 4,670,540	\$ 4,335,462	\$ 3,726,505	\$ 2,620,235	\$ 1,801,369	\$ 2,831,984
Interest	4,613,787	4,820,183	4,570,301	4,766,488	4,716,545	4,254,162	3,607,455	1,748,001	977,878	1,032,504
Bond issuance costs	90,615	44,305	150,900	-	242,173	468,837	9,500	500,889	429,728	99,311
Fiscal charges	10,500	8,800	11,200	7,032	15,284	6,384	6,484	6,020	5,063	7,403
<b>Total debt services</b>	<b>9,982,940</b>	<b>9,806,326</b>	<b>9,010,439</b>	<b>9,231,558</b>	<b>9,644,542</b>	<b>9,064,845</b>	<b>7,349,944</b>	<b>4,875,145</b>	<b>3,214,038</b>	<b>3,971,202</b>
<b>Total expenditures</b>	<b>45,761,916</b>	<b>42,167,515</b>	<b>39,902,186</b>	<b>39,400,344</b>	<b>57,172,785</b>	<b>64,183,272</b>	<b>45,163,758</b>	<b>53,126,997</b>	<b>33,628,860</b>	<b>24,169,790</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(6,599,331)</b>	<b>(3,154,392)</b>	<b>(4,166,466)</b>	<b>(5,454,856)</b>	<b>(20,530,115)</b>	<b>(30,773,652)</b>	<b>(13,756,351)</b>	<b>(21,423,844)</b>	<b>(8,769,680)</b>	<b>(2,623,876)</b>
<b>Other financing sources (uses):</b>										
Transfers in	2,277,550	2,217,035	3,456,450	1,478,835	8,664,757	1,975,436	2,585,804	4,305,332	2,959,535	2,429,909
Transfers out	(4,215,000)	(3,502,085)	(2,913,587)	(2,304,050)	(4,488,966)	(2,715,031)	(2,866,119)	(3,478,832)	(3,416,135)	(2,812,409)
Bonds issued	10,530,000	2,150,000	13,210,000	-	19,295,000	22,270,000	-	41,045,000	21,200,000	-
Capital Leases	-	-	-	330,870	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	4,805,000	-	-	-	6,095,000	4,067,415
Accrued interest on bonds issued	-	-	-	-	-	-	-	176,020	129,913	-
Premium (discounts) on bonds issued	221,417	-	325,248	-	444,623	490,101	-	864,326	271,518	-
Payment to refunded bond escrow agent	-	-	(1,651,905)	-	(4,853,047)	-	-	-	(6,027,109)	(3,120,178)
<b>Total other financing sources (uses)</b>	<b>8,813,967</b>	<b>864,950</b>	<b>12,426,206</b>	<b>(494,345)</b>	<b>23,867,367</b>	<b>22,020,506</b>	<b>(280,315)</b>	<b>42,911,846</b>	<b>21,212,722</b>	<b>564,737</b>
<b>Net change in fund balances</b>	<b>\$ 2,214,636</b>	<b>\$ (2,289,442)</b>	<b>\$ 8,259,740</b>	<b>\$ (5,949,201)</b>	<b>\$ 3,337,252</b>	<b>\$ (8,753,146)</b>	<b>\$ (14,036,666)</b>	<b>\$ 21,488,002</b>	<b>\$ 12,443,042</b>	<b>\$ (2,059,139)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>28.6%</b>	<b>28.7%</b>	<b>27.6%</b>	<b>29.1%</b>	<b>30.6%</b>	<b>24.0%</b>	<b>22.0%</b>	<b>17.4%</b>	<b>13.5%</b>	<b>14.4%</b>

CITY OF ROCKWALL, TEXAS  
 GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE  
 LAST TEN FISCAL YEARS  
 (unaudited)

TABLE D-7

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Total</u>
2004	\$ 7,270,408	\$ 6,736,054	\$ 1,702,156	\$ 15,708,618
2005	8,140,125	7,379,841	1,715,242	17,235,208
2006	8,979,948	8,529,051	1,981,016	19,490,015
2007	11,820,994	8,901,929	2,046,674	22,769,597
2008	14,708,142	10,123,637	2,179,847	27,011,626
2009	16,407,575	10,264,401	2,444,296	29,116,272
2010	16,560,766	10,833,397	2,728,251	30,122,414
2011	17,329,982	11,526,555	2,604,569	31,461,106
2012	17,338,798	12,720,023	2,879,585	32,938,406
2013	17,890,435	14,045,093	2,748,707	34,684,235

CITY OF ROCKWALL  
 SALES TAX COLLECTIONS AS COMPARED TO TAX LEVY  
 LAST TEN FISCAL YEARS  
 (unaudited)

TABLE D-8

<u>Fiscal Year</u>	<u>Total Sales Tax Collections</u>	<u>Percent of Ad Valorem Tax Levy</u>	<u>Equivalent of Ad Valorem Tax Rate</u>
2004	\$ 6,736,054	94.08%	0.34
2005	7,379,841	91.93%	0.33
2006	8,286,316	92.22%	0.34
2007	8,901,929	76.69%	0.35
2008	10,123,637	70.46%	0.36
2009	10,264,401	64.30%	0.34
2010	10,833,397	65.80%	0.35
2011	11,526,555	68.74%	0.37
2012	12,720,023	75.10%	0.41
2013	14,045,093	81.14%	0.44

CITY OF ROCKWALL, TEXAS  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (unaudited)

TABLE D-9

Fiscal Year	Tax Year	Estimated Market Value			Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
		Real Property Residential	Real Property Non-Residential	Non-Real Property Personal			
2004	2003	1,371,585,380	487,360,218	258,028,313	130,750,657	1,986,223,254	0.3600
2005	2004	1,573,206,290	525,794,698	284,849,415	154,608,703	2,229,241,700	0.3600
2006	2005	1,736,808,885	567,435,458	286,808,498	163,343,787	2,427,709,054	0.3689
2007	2006	1,943,727,690	921,234,223	261,957,560	551,589,203	2,575,330,270	0.4250
2008	2007	2,405,432,149	709,899,929	289,545,141	602,975,668	2,801,901,551	0.4865
2009	2008	2,147,701,430	1,155,846,969	330,037,398	625,065,569	3,008,520,228	0.5031
2010	2009	2,185,092,860	1,222,610,470	338,639,915	663,151,492	3,083,191,753	0.5031
2011	2010	2,253,052,114	1,364,840,173	334,504,395	821,180,459	3,131,216,223	0.5031
2012	2011	2,286,707,230	1,370,512,205	329,854,968	852,396,351	3,134,678,052	0.5031
2013	2012	2,316,659,624	1,406,922,400	354,361,958	876,975,556	3,200,968,426	0.5025

Source: Rockwall Central Appraisal District



CITY OF ROCKWALL  
PROPERTY TAX EXEMPTIONS  
LAST TEN FISCAL YEARS  
(unaudited)

TABLE D-10

<u>Fiscal Year</u>	<u>Over 65 and Disabled</u>	<u>Disabled Veterans</u>	<u>Agriculture</u>	<u>Abatement</u>	<u>Prorated Exempt</u>
2004	69,074,650	1,067,984	44,198,700	10,670,039	338,011
2005	77,182,580	1,233,504	52,695,448	10,658,736	1,587,746
2006	87,691,150	1,495,504	50,548,990	18,883,658	1,100,093
2007	96,624,100	1,537,004	61,259,470	16,146,371	328,999
2008	104,805,677	1,658,500	66,881,780	13,651,705	248,013
2009	111,535,268	1,805,500	79,131,370	24,266,824	2,147,724
2010	117,336,354	6,522,310	101,284,160	25,091,542	182,290
2011	123,493,766	8,781,840	99,301,400	20,804,929	17,421
2012	130,833,284	10,360,860	105,251,440	20,979,952	573,415
2013	139,441,120	12,269,468	104,630,610	23,803,292	3,685,328

CITY OF ROCKWALL, TEXAS  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 (PER \$100 OF ASSESSED VALUE)  
 LAST TEN FISCAL YEARS  
 (unaudited)

TABLE D-11

Fiscal Year	City of Rockwall			Overlapping Rates	
	M&O	Debt	Total	School	County
2004	0.2099	0.1501	0.3600	1.8800	0.3507
2005	0.2239	0.1361	0.3600	1.8800	0.3507
2006	0.2167	0.1522	0.3689	1.8800	0.3506
2007	0.2067	0.2183	0.425	1.7100	0.3507
2008	0.2243	0.2622	0.4865	1.4700	0.3500
2009	0.2270	0.2761	0.5031	1.4700	0.3750
2010	0.2453	0.2578	0.5031	1.4700	0.3750
2011	0.2562	0.2469	0.5031	1.4700	0.3864
2012	0.2563	0.2468	0.5031	1.4700	0.3864
2013	0.2619	0.2406	0.5025	1.4700	0.3864

CITY OF ROCKWALL, TEXAS  
 PRINCIPAL TAXPAYERS  
 CURRENT YEAR AND NINE YEARS AGO  
 (unaudited)

TABLE D-12

Taxpayer	2013			2004		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Excel Rockwall, LP	\$ 45,458,300	1	1.42%	\$ -	-	-
Western Rim Investors	45,311,463	2	1.42%	-	-	-
Rockwall Regional Hospital, LLP	32,069,270	3	1.00%	-	-	-
Rockwall Hotel & Conference Group	28,480,380	4	0.89%	-	-	-
Continental Pet Technology	28,377,560	5	0.89%	35,129,020	1	1.76%
Rockwall Crossing LTD	23,244,236	6	0.73%	-	-	-
Wal-mart	23,895,982	7	0.75%	22,744,747	2	1.14%
Oncor Electric Delivery Service	21,870,200	8	0.68%	14,626,950	4	0.73%
CRP/Arrow Rockwall, LLC	19,995,050	9	0.62%	17,559,561	3	0.88%
T Rockwall Commons, LLC	17,406,030	10	0.54%	-	-	-
Rockwall/ S-30 Ltd.	-	-	-	12,899,820	5	0.65%
Lowes Home Centers, Inc.	-	-	-	12,641,842	6	0.63%
Steger Towne Crossing, LP	-	-	-	9,768,360	7	0.49%
Bent Tree Realty Co.	-	-	-	9,702,200	8	0.49%
Southwestern Bell Telephone	-	-	-	9,278,400	9	0.46%
Kohl's Department Store	-	-	-	8,919,017	10	0.45%
Subtotal	286,108,471		8.94%	153,269,917		7.67%
Total Taxable Value	\$ 3,200,968,426		100.00%	\$ 1,998,462,449		100.00%

Source: Rockwall Central Appraisal District

Note: For tax years 2012 and 2003

CITY OF ROCKWALL, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(unaudited)

TABLE D-13

Fiscal Year	Tax Year	Total Tax Levy	Total Current Year Collections	Percent of Levy Collected During Fiscal Period	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy
2004	2003	7,207,138	7,145,433	99.14%	52,138	7,197,571	99.87%
2005	2004	8,079,370	8,021,945	99.29%	48,172	8,070,117	99.89%
2006	2005	8,987,722	8,921,613	99.26%	53,935	8,975,548	99.86%
2007	2006	11,607,235	11,433,286	98.50%	155,936	11,589,222	99.84%
2008	2007	14,367,824	14,173,725	98.65%	174,169	14,347,894	99.86%
2009	2008	15,962,353	15,777,483	98.84%	145,366	15,922,849	99.75%
2010	2009	16,465,193	16,182,308	98.28%	233,740	16,416,048	99.70%
2011	2010	16,768,511	16,616,216	99.09%	95,906	16,712,122	99.66%
2012	2011	16,937,674	16,780,370	99.07%	88,353	16,868,723	99.59%
2013	2012	17,309,347	17,205,265	99.40%	-	17,205,265	99.40%

CITY OF ROCKWALL  
TOP TEN WATER CUSTOMERS  
CURRENT YEAR AND NINE YEARS AGO  
(unaudited)

TABLE D-14

Customer	2013			2004		
	Water Usage	Rank	Percentage of Total Water Usage	Water Usage	Rank	Percentage of Total Water Usage
City of Rockwall	42,080,300	1	1.39%	29,407,300	2	1.86%
Mansions of Rockwall	31,396,900	2	1.03%	-	-	-
Rockwall I.S.D.	30,017,800	3	0.99%	44,920,100	1	2.84%
Excel Rockwall, L.P.	13,767,800	4	0.45%	-	-	-
D.W.C./Highlife Properties	12,483,600	5	0.41%	15,824,100	4	1.00%
TF-Harbor, LLC	12,082,300	6	0.40%	-	-	-
Mission Rockwall	11,878,900	7	0.39%	18,031,100	3	1.14%
Walden Residential Properties	10,520,700	8	0.35%	14,958,600	5	0.95%
Lakepointe Church	10,394,700	9	0.34%	9,543,600	9	0.60%
Rockwall Crossing	10,024,800	10	0.33%	-	-	-
Sabre Realty	-	-	-	13,629,600	6	0.86%
Caruth Ridge Estates	-	-	-	11,716,600	7	0.74%
Steger Towne Crossing	-	-	-	9,776,500	8	0.62%
Rockwall Travel Center	-	-	-	9,080,800	10	0.57%
Subtotal	<u>184,647,800</u>		<u>6.08%</u>	<u>176,888,300</u>		<u>11.20%</u>
Total Water Usage	<u>3,037,855,020</u>		<u>100.00%</u>	<u>1,579,572,000</u>		<u>100.00%</u>

CITY OF ROCKWALL, TEXAS  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(unaudited)

TABLE D-15

Fiscal Year	Governmental Activities				Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Capitalized Lease Obligations	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Water and Sewer Revenue Bonds	Capitalized Lease Obligations			
2004	\$ 11,918,933	\$ 9,075,000	\$ 420,000	\$ -	\$ 271,067	\$ -	\$ -	\$ 10,035,000	\$ 1,780,000	\$ 33,500,000	3.67%	\$ 1,329
2005	22,992,564	17,940,000	345,000	-	247,436	-	-	14,910,000	1,385,000	57,820,000	5.43%	2,080
2006	57,632,329	21,825,000	315,000	-	212,671	-	-	14,145,000	1,145,000	95,275,000	7.88%	3,155
2007	55,720,824	20,045,000	280,000	-	184,176	-	-	13,360,000	5,040,094	94,630,094	7.20%	3,013
2008	74,925,362	18,810,000	245,000	-	154,638	9,935,000	-	12,530,000	4,805,090	121,405,090	8.13%	3,824
2009	86,179,822	22,425,000	-	-	135,178	25,890,000	-	11,670,000	7,431,754	153,731,754	10.38%	4,789
2010	83,271,784	20,875,000	-	278,034	113,216	25,005,000	-	10,775,000	7,080,083	147,398,117	8.74%	4,205
2011	88,473,746	23,050,000	-	236,589	91,254	28,205,000	-	5,215,000	6,710,000	151,981,589	8.08%	4,129
2012	84,675,708	24,065,000	-	193,299	69,292	27,145,000	-	4,550,000	6,321,743	147,020,042	7.44%	3,810
2013	88,562,670	25,440,000	-	148,083	47,330	29,510,000	-	3,865,000	5,910,072	153,483,155	7.51%	3,960

Note: See Table 20 for personal income and population data  
Debt is shown gross of deferred amounts

CITY OF ROCKWALL, TEXAS  
RATIO OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(unaudited)

TABLE D-16

Fiscal Year	Governmental Activities					Less: Debt Service Fund Balance	Net Bonded Debt	Percentage of Actual Taxable	
	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Gross Bonded Debt	Deferred Amounts			Value	Per Capita
2004	\$ 11,918,933	\$ 9,075,000	\$ 420,000	\$ 21,413,933	\$ -	\$ 694,758	\$ 20,719,175	1.04%	\$ 822
2005	22,992,564	17,940,000	345,000	41,277,564	-	1,014,713	40,262,851	1.80%	1,448
2006	57,632,329	21,825,000	315,000	79,772,329	1,115,113	1,461,294	79,426,148	3.26%	2,630
2007	55,720,824	20,045,000	280,000	76,045,824	1,072,153	1,083,320	76,034,657	2.95%	2,421
2008	74,925,362	18,810,000	245,000	93,980,362	1,501,918	835,203	94,647,077	3.38%	2,981
2009	86,179,822	22,425,000	-	108,604,822	1,889,348	1,077,236	109,416,934	3.64%	3,408
2010	83,271,784	20,875,000	-	104,146,784	1,760,665	930,290	104,977,159	3.40%	2,995
2011	88,473,746	23,050,000	-	111,523,746	1,883,530	1,426,272	111,981,004	3.58%	3,042
2012	84,675,708	24,065,000	-	108,740,708	1,793,835	1,221,201	109,313,342	3.49%	2,833
2013	88,562,670	25,440,000	-	114,002,670	1,920,023	772,045	115,150,648	3.60%	2,971

Note: See Table 20 for population data and Table 8 for property value data  
Deferred amounts include unamortized premium (discount) and loss on refunding

CITY OF ROCKWALL, TEXAS  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 SEPTEMBER 30, 2013  
 (unaudited)

TABLE D-17

Jurisdiction	Net General Obligation Bonded Debt Outstanding (1)	Percentage Applicable to the City of Rockwall (2)	Amounts Applicable to the City of Rockwall
Direct:			
City of Rockwall	\$ 144,856,061	100.00%	\$ 144,856,061
Indirect:			
Rockwall Independent School District	348,148,255	60.56%	210,838,583
Rockwall County	91,570,000	51.05%	46,746,485
Total Indirect	439,718,255		257,585,068
Total Direct and Overlapping Bonded Debt	\$ 584,574,316		\$ 402,441,129
Average debt per capita			\$ 10,384

Source: Assessed value data used to estimate applicable percentages provided by Rockwall Central Appraisal District. Debt Outstanding data is provided by each governmental unit.

- (1) Includes all Governmental Activities General Obligation Bonds, Contractual Obligations, Certificates of Obligation and Capital Leases and the General Obligation Debt of the Business-Type Activities.
- (2) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of each governmental unit's taxable value that is within the city's boundaries and dividing it by each unit's total taxable value.



CITY OF ROCKWALL, TEXAS  
 COMPUTATION OF LEGAL DEBT MARGIN  
 LAST TEN FISCAL YEARS  
 (unaudited)

TABLE D-18

The City of Rockwall, Texas does not have a legal debt limit prescribed by state law. However, Article XI, Section 5 of the Texas Constitution applicable to cities of more than 5,000 population limits ad valorem tax rates to \$2.50 per \$100 assessed valuation for cities operating under a Home Rule Charter. Accordingly, the City's tax margin for the previous ten years was:

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Maximum Rate	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Total Tax Rate	0.5025	0.5031	0.5031	0.5031	0.5031	0.4865	0.425	0.3689	0.3600	0.3600
Legal Debt Margin	1.9975	1.9969	1.9969	1.9969	1.9969	2.0135	2.0750	2.1311	2.1400	2.1400

CITY OF ROCKWALL, TEXAS  
 SCHEDULE OF REVENUE BOND COVERAGE - WATER AND SEWER BONDS  
 LAST TEN FISCAL YEARS  
 (unaudited)

TABLE D-19

Fiscal Year	Total Revenues	Direct Operating Expense	Net Revenue Available for Debt Service	Annual Revenue Debt Service Requirements			Coverage
				Principal	Interest	Total	
2004	\$ 10,081,442	\$ 5,194,575	\$ 4,886,867	\$ 520,000	\$ 476,108	\$ 996,108	4.91
2005	11,447,810	6,817,094	4,630,716	550,000	453,305	1,003,305	4.62
2006	12,921,162	8,229,674	4,691,488	765,000	635,235	1,400,235	3.35
2007	10,970,532	8,405,774	2,564,758	785,000	606,179	1,391,179	1.84
2008	11,638,576	9,308,603	2,329,973	830,000	575,410	1,405,410	1.66
2009	12,706,804	9,516,940	3,189,864	860,000	542,595	1,402,595	2.27
2010	12,644,083	9,871,989	2,772,094	895,000	507,658	1,402,658	1.98
2011	15,439,747	10,805,039	4,634,708	740,000	360,448	1,100,448	4.21
2012	14,809,266	11,463,657	3,345,609	665,000	219,253	884,253	3.78
2013	16,096,968	11,885,957	4,211,011	685,000	191,306	876,306	4.81

Note: Direct operating expenses excludes depreciation

CITY OF ROCKWALL, TEXAS  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN YEARS  
 (unaudited)

TABLE D-20

DEMOGRAPHICS

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income (1)	RISD School Enrollment (2)	Unemployment Rate (%) (1)
2004	25,200	\$ 911,711	\$ 36,179	10,527	5.1
2005	27,800	1,064,601	38,295	11,560	3.5
2006	30,200	1,209,238	40,041	12,627	3.4
2007	31,407	1,313,786	41,831	13,086	3.9
2008	31,748	1,494,029	47,059	13,407	4.9
2009	32,103	1,480,976	46,132	13,721	7.0
2010	35,050	1,687,272	48,139	14,030	6.6
2011	36,810	1,881,580	51,116	14,200	6.7
2012	38,586	1,976,529	51,224	14,300	5.1
2013	38,755	2,044,742	52,761	14,359	5.3

Source: (1) Texas Workforce Commission, 2012 and 2013 are estimates  
 (2) Rockwall Independent School District - private schools not included

CITY OF ROCKWALL, TEXAS  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO  
 (unaudited)

TABLE D-21

Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Rockwall Independent School District	1,550	1	7.65%	1,350	1	9.42%
Wal-Mart Superstore	492	2	2.43%	450	2	3.14%
Texas Star Express	484	3	2.39%	400	3	2.79%
Presbyterian Hospital	592	4	2.92%	-	-	-
Rockwall County	264	5	1.30%	250	4	1.75%
City of Rockwall	254	6	1.25%	200	5	1.40%
Hilton Bella Harbor	250	7	1.23%	-	-	-
Costco	250	8	1.23%	-	-	-
Special Products	205	9	1.01%	200	7	1.40%
Target	200	10	0.99%	170	9	1.19%
Rockwall Nursing Home	-	-	-	150	10	1.05%
James Helwig & Son	-	-	-	200	6	1.40%
Power Maintenance International	-	-	-	200	8	1.40%
Subtotal	<u>4,541</u>		<u>22.40%</u>	<u>3,570</u>		<u>24.92%</u>
Total	<u>20,269</u>		<u>100.00%</u>	<u>14,325</u>		<u>100.00%</u>

Sources: Rockwall Economic Development Corporation  
 North Central Texas Council of Governments  
 Texas Workforce Commission

CITY OF ROCKWALL, TEXAS  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
 LAST TEN FISCAL YEARS  
 (unaudited)

TABLE D-22

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Administration	25	21	21	22	22	22	22	21	21	21
Finance	5	8	8	8	8	8	8	8	7.5	6.5
Municipal Court	4	4	4	4	4	4	4	4	4	3
Fire	19	17	17	17	17	10	10	9	9	8
Police	97	92.5	91.5	90.5	90.5	88	85	80	72	70
Community Development	24.5	29.5	29.5	29.5	29.5	29.5	29.5	28.5	25.5	22
Parks & Recreation	25	26	26	26	26	24.5	24.5	25	24	21
Public Works	21	21	21	21	21	23	23	23	21	21
Water/Sewer	34	37	37	38	38	34	31	29	26	25
<b>Total</b>	<b>254.50</b>	<b>256.00</b>	<b>255.00</b>	<b>256.00</b>	<b>256.00</b>	<b>243.00</b>	<b>237.00</b>	<b>227.50</b>	<b>210.00</b>	<b>197.50</b>

CITY OF ROCKWALL, TEXAS  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS  
(unaudited)

TABLE D-23

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Finance										
Invoices processed	15,347	15,772	15,582	16,613	16,933	16,696	16,015	15,883	14,919	14,246
Payroll checks issued	7,769	8,262	8,460	8,356	8,176	7,765	7,840	7,042	6,579	6,543
Purchase orders issued	2,002	2,150	2,269	2,391	2,572	2,363	2,553	2,468	2,561	2,420
Municipal Court										
Violations Processed	15,208	16,859	16,361	17,261	16,526	12,984	17,455	16,635	15,225	13,913
Fire										
Employees (paid)	19	17	17	17	17	10	10	9	9	8
Volunteers	29	35	41	38	35	42	37	40	39	36
Fire Calls (City and County)	913	831	1,059	771	771	860	777	718	772	623
Police										
Employees (uniformed)	76	72	71	71	70	69	66	61	55	51
Employees (civilian)	21	20	20	20	20	19	18	18	17	17
Calls for Service*	16,317	18,267	21,490	30,569	30,610	29,097	27,158	21,121	17,915	16,066
* Police Department software was upgraded in Sept. 2010 and utilizes a different criteria to count calls.										
Community Development										
# permits - New commercial construction	25	14	21	4	17	26	33	18	51	18
Value - New commercial construction	55,921,000	36,578,259	15,446,160	10,969,950	71,061,773	40,553,363	104,798,013	39,358,497	49,918,558	29,067,960
# permits - New residential construction	272	218	185	212	169	173	192	470	739	885
Value - New residential construction	56,266,387	39,815,104	36,244,834	40,293,359	30,914,120	31,962,169	40,174,623	82,305,725	123,215,423	135,501,919
Parks & Recreation										
The Center facility usage	84,000	81,500	84,001	68,665	61,713	76,530	69,988	75,757	71,118	58,060
Special event attendance	83,000	85,000	80,000	95,000	90,680	75,232	54,156	25,231	26,547	35,736
# recreation participants (youth & adult)	4,700	4,500	3,268	3,428	2,155	2,757	2,727	2,381	2,034	1,793

CITY OF ROCKWALL, TEXAS  
 OPERATING INDICATORS BY FUNCTION  
 LAST TEN FISCAL YEARS  
 (unaudited)

TABLE D-23

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Public Works</b>										
Streets - sq yd concrete street repair	2,333.00	4,316.37	2,276.40	2,851.55	5,507.20	3,415.26	739.69	1,967.75	2,961.55	2,395.76
\$ spent on concrete/asphalt street repair	\$ 712,451	\$ 654,243	\$ 602,167	\$ 575,446	\$ 541,430	\$ 411,814	\$ 341,685	\$ 478,169	\$ 352,048	\$ 431,475
Miles of public street maintained by City*	185.67	184.06	183.05	196.10	192.86	183.86	144.83	139.52	129.23	127.66
* Beginning in 2011, mileage calculations have changed and software advances have allowed for a more accurate count										
<b>Water/Sewer</b>										
Water customers	14,599	13,416	13,044	12,859	12,471	12,285	12,345	11,985	11,491	10,497
Sewer customers	12,968	12,137	11,891	11,651	11,401	11,106	10,987	10,445	10,020	9,282
Average daily water consumption (gal)	8,158,146	8,322,890	9,943,169	7,434,917	8,228,041	8,052,778	6,701,619	5,991,288	5,023,404	4,327,595
Maximum storage capacity (gal)	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	9,500,000	7,500,000	7,500,000	7,500,000	7,500,000

Source: City departments

Notes: Operating indicators are not available for Mayor/Council and Administration functions.

n/a - Data not available

CITY OF ROCKWALL, TEXAS  
 CAPITAL ASSET STATISTICS BY FUNCTION  
 LAST TEN FISCAL YEARS  
 (unaudited)

TABLE D-24

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Fire										
Number of stations	4	4	4	4	2	2	2	2	2	2
Number of fire engines/trucks	13	15	15	14	12	11	11	9	8	8
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units		42	42	42	42	42	42	42	37	30
Parks & Recreation										
Parks acres (developed)	538.00	538.00	538.00	538.00	538.00	538.00	341.50	324.60	307.30	287.70
Playgrounds	25	25	25	25	23	23	23	18	12	12
Picnic areas	32	32	32	32	31	31	29	27	26	26
Swimming pools	2	2	2	2	2	2	2	2	2	2
Public Works										
\$ spent on new street construction	\$ 3,898,741	\$ 2,164,305	\$ 1,079,938	\$ 2,596,948	\$ 15,444,384	\$ 24,508,043	\$ 4,885,417	\$ 1,689,445	\$ 2,477,496	\$ 165,359
\$ spent on street rehabilitation	\$ 191,023	\$ 2,626,965	\$ 2,433,289	\$ 1,929,529	\$ 1,446,058	\$ 4,219,701	\$ 2,492,251	\$ 6,575,541	\$ 2,352,112	\$ 583,947
Miles of public street	185.67	184.06	183.05	196.10	192.86	183.86	144.83	139.52	129.23	127.66
Water/Sewer										
Water mains (miles)	287.91	276.94	265.82	269.82	255.88	250.40	160.06	155.37	146.32	139.93
Sanitary sewers (miles)	231.91	218.88	222.62	215.88	212.77	209.95	117.51	113.58	107.83	103.62

Source: City departments

Notes: Asset indicators are not available for Mayor/Council, Administration, Finance, Municipal Court, and Community Development functions.

n/a - data not available