

**CITY OF ROCKWALL, TEXAS**

*COMPREHENSIVE ANNUAL FINANCIAL REPORT*

*FOR THE YEAR ENDED SEPTEMBER 30, 2009*

Prepared by:

CITY OF ROCKWALL, TEXAS

FINANCE DEPARTMENT

Mary P. Smith, Director of Finance



**CITY OF ROCKWALL, TEXAS**  
*COMPREHENSIVE ANNUAL FINANCIAL REPORT*  
*FOR THE YEAR ENDED SEPTEMBER 30, 2009*

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City of Rockwall  
*The New Horizon*

March 18, 2010

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, 2009, 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, 2009, 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, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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 28.09 square miles and an estimated population of 32,103.

The City of Rockwall adopted a home rule charter in 1985 which established a council-manager form of government. Charter amendments have been adopted as recently as 2005. Policymaking 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. In spite of the down economy throughout the nation, Rockwall saw some new businesses open in 2009. The city's revenues were flat where they may otherwise have fallen if not for the new businesses which are described below. The city has a varied tax base including a mix of residential, commercial and light industrial properties. Total property values rose by 4.06%. The most recent five-year average is 6.75% per annum. The City's largest taxpayers include a number of commercial developments. Table 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:

- Costco Corporation completed construction on a Costco Wholesale store in Rockwall. The 149,000 square foot store enhanced Rockwall's role as a regional shopping destination.
- Presbyterian Hospital of Rockwall having opened their acute care facility in December 2008, completed construction of approximately 40,000 square feet of medical office space in the adjacent area in 2009. Other similarly sized private medical offices were constructed during the year.
- Shenaniganz, calling itself an "eater-tainment destination opened in late in 2008 and includes bowling, laser tag, an arcade, rock climbing, go carts and restaurant areas.
- Downtown Rockwall benefited from the attention garnered as Rockwall was named a Texas Main Street City in October 2008. The program officially kicked off with a visit by the First Lady of Texas in spring 2009. A number of new restaurants including Restaurant Ava, Bin303, El Cayote Rojo and Texas Roast joined the downtown area. Zanata's Restaurant doubled their seating area.
- Ground was broken for the Shops at Stone Creek and their anchor tenant, Tom Thumb. The approximately 59,000 square foot "lifestyle" format store is expected to open in May 2010. The store is expected to draw customers from surrounding towns as well. More than 15,000 square feet of retail space adjoins the store with out-parcels available.
- Half Price Books will join the retail mix in April 2010, opening a location in the Rockwall Crossing shopping center. This announcement allowed the City to meet a long standing goal of a book store opening in the City.
- The City completed the annexation process, after three years of planning, for the Lake Rockwall Estates area. This area includes over 3,000 residents who will now receive city services. In anticipation of this annexation, the City conducted studies and worked with residents to address long standing needs and plan for improvements to the area in the near and long-term.

## 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 need to budget conservatively for both revenues and expenditures. The general fund reserve policy was reviewed and updated 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 consistently 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 will be available to fund capital projects in coming years.

## Planning Projects

Having identified the downtown area as a critical component of our long range plan, the City working with business and community leaders coordinated an effort to be named a Texas Main Street City and is pursuing the planning and design opportunities this program provides.

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. The city recognizes the importance of having the conceptual plan ready when the economy improves. The area is expected to include an expansion of the mixed-use concept with retail, restaurants, office and residential spaces.

The city accepted the report from a street condition study to better evaluate the priorities for needed street repairs. The study results will be employed as the City develops future maintenance budgets and capital improvement programs.

The Rockwall Economic Development Corporation refined their vision in their Destination 2020 plan in 2008. This comprehensive document includes demographics, target industries, marketing strategies, competition, site selection criteria, and alliances among its parameters. The REDC hired a Marketing Manager in 2009 to better position them to attract and retain industry.

## Strategic Planning

Organizationally, the City uses the Balanced Scorecard Methodology for strategic planning. Bi-annually the City conducts a Citizen Satisfaction Survey to document our progress meeting the needs of our citizens. The City employs the C3 methodology of "Customer Centered Culture" which encourages cross department teams to follow a proven course of data compilation and actions that allow the teams to develop product and process improvements. C3 recognizes that the services we provide are ultimately comprised of a number of products and processes and those must be designed to meet our customer's needs, not what we perceive are their needs. Two project teams presented their reports to Council in 2009 and many of their suggested improvements have been implemented, with more teams starting in late 2009.

## Future Development

### Transportation

The City has nearly completed the construction of the 205 Bypass roadway project which is officially named "John King Boulevard" in honor of our late council member. The road includes one railroad crossing which is expected to be completed in spring 2010. Texas Department of Transportation has begun work on the overpass which will connect the northern and southern roadways and allow additional access to I-30. It is expected to be completed mid 2012. TxDot will complete work on the widening of SH205 (Goliad Street) through the City in early 2010. The construction of FM740 through southern Rockwall will commence in 2010 also. City projects under construction in 2010 will include the reconstruction of Airport Road, a much traveled east-west roadway which will allow better access to John King Boulevard and the widening of a section of FM549.

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 bond initiative which met with positive voter approval allows funding for the advance planning and design of 5 major roadway projects. This will allow those projects to be ready to commence as soon as state funding is allocated for construction.

### Medical Services

Developments in the Horizon Road area have focused on medical services. With the opening of Presbyterian Hospital of Rockwall in 2008, acute care is available in the City. Several new medical buildings with Doctor's suites joined state of the art out-patient diagnostic imaging facilities in the past two years. Ancillary medical office buildings and long term care facilities are planned for near term development. This corridor has developed into a regional medical destination. Arbor House Assisted Living Center opened in

### Retail / Entertainment

"The Harbor" public improvements, situated on the shores of Lake Ray Hubbard at I-30, were completed in 2007. 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. A number of conferences have used the facilities with many more scheduled for 2010. The development has become a regional entertainment destination.

In conjunction with the private development, the City established a tax increment financing (TIF) zone in 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.

The City's 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 was extended to 22 weeks in 2009. Surveys conducted during the events gathered data regarding the distance from which visitors traveled and approximate retail and restaurant dollars expended while here.

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 weeks during the year. In 2010 the City will be adding an Art Fair each month. The first annual "Rib Rub" was held in fall 2009. The Main Street Advisory Board and "Friends of Downtown Rockwall", citizen volunteer group, are working to plan special events downtown.

### Facilities

Construction was completed on Fire Stations 3 and 4, approved by voters in 2005. The stations were dedicated to two long time volunteer firefighters, Mr. Bennie Tanner and Mr. Paul Merritt respectively. With the addition of these stations the City continued the transition to a combination paid/volunteer department by adding several fully paid shift positions.

The Rockwall Police Community Services Office was rededicated in memory of long time volunteer and supporter John Fitzwater Sr.

### Utilities

The water and sewer rates which were increased in 2009 are being reviewed and staff will be recommending a rate increase for early 2010. The City purchases treated water as a founding member city of the North Texas Municipal Water District. Construction is ongoing for the Squabble Creek sewer system which will connect to the regional sewer interceptor system. A number of main extension projects are being undertaken to provide water and sewer service to annexed areas of the City.

The City's water system was recognized with the Texas Commission on Environmental Quality's "Superior" rating in 2008.

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 9-30-09(net of Debt Service)	\$107,527,586
Estimated Population	32,103
G.O. Debt Per Capita	\$3,349
Net G.O. Debt per Assessed Value	3.57%

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.	A1	A2	A2

### 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, 2008. 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.

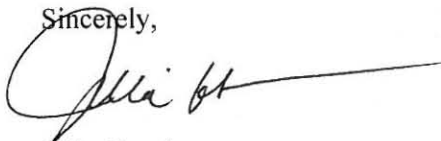
A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for each of the last nineteen consecutive fiscal years. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting 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,



Julie Couch  
City Manager



Mary Smith, CPA  
Director of Finance

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# 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, 2008

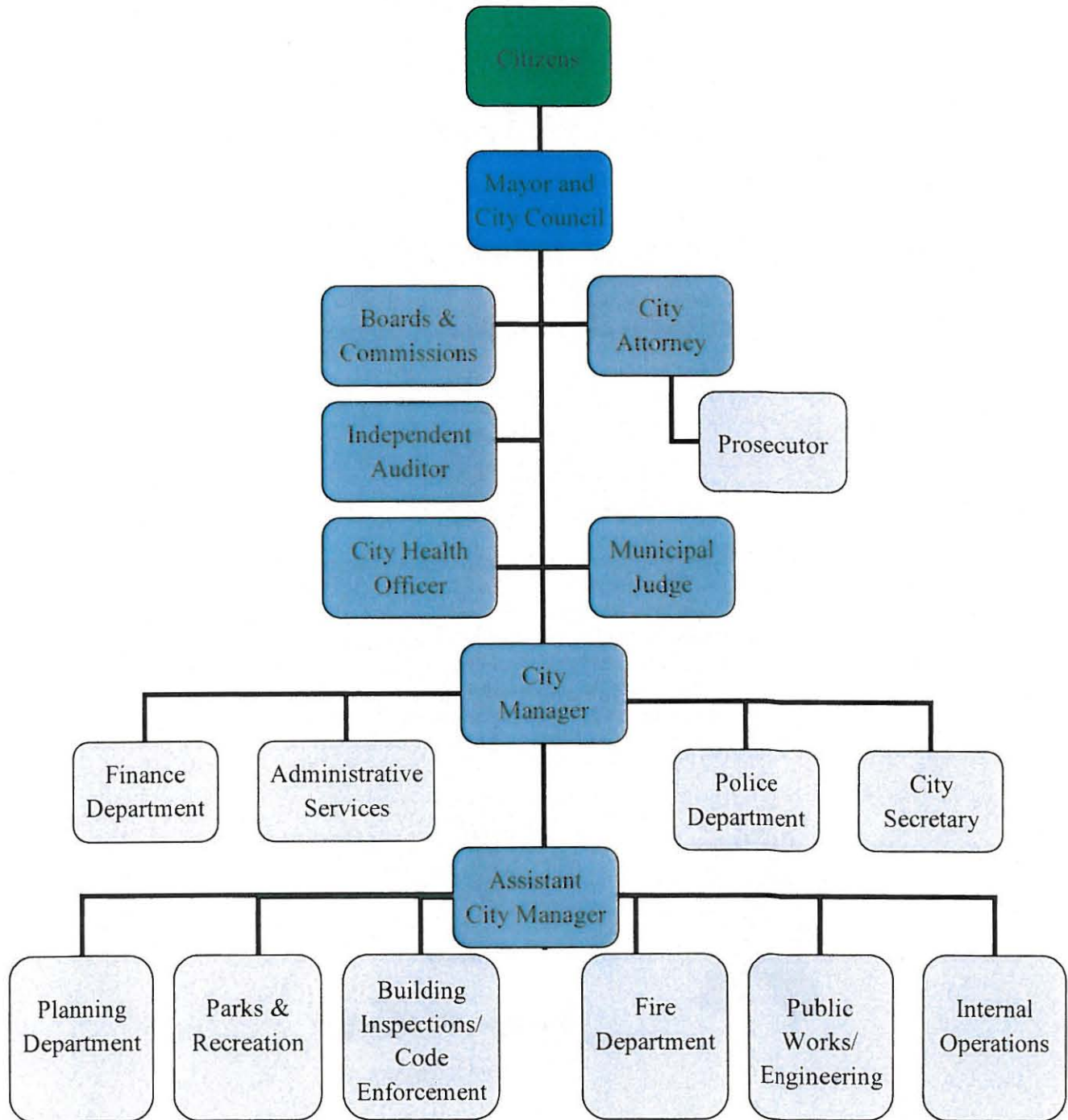
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

# City of Rockwall Organization Chart





CITY OF ROCKWALL, TEXAS

PRINCIPAL OFFICIALS

September 30, 2009

**City Council**

Bill Cecil, Mayor  
David Sweet, Mayor Pro-Tempore  
Glen Farris, Councilmember  
Margo Nielsen, Councilmember  
Mark Russo, Councilmember  
Matt Scott, Councilmember  
Cliff Sevier, Councilmember

**City Staff**

Julie Couch, City Manager  
Rick Crowley, Assistant City Manager  
Mary Smith, Director of Finance  
Cheryl Dunlop, Director of Administrative Services  
Mark Moeller, Chief of Police  
Mark Poindexter, Fire Chief  
Robert LaCroix, Director of Community Development  
Chuck Todd, City Engineer/Director of Public Works  
Jeffrey Widmer, Director of Building Inspections & Code Enforcement  
Brad Griggs, Director of Parks, Recreation and Rights-of-Way

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*Financial Section*

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RUTLEDGE CRAIN & COMPANY, PC  
CERTIFIED PUBLIC ACCOUNTANTS  
2401 Garden Park Court, Suite B  
Arlington, Texas 76013

**Independent Auditors' Report on Financial Statements**

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, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Rockwall, Texas' management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis identified as Required Supplementary Information in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise the City of Rockwall, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules, and statistical tables 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



March 18, 2009

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*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, 2009. Please read it in conjunction with the City's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The City's total net assets were \$170,779,142 at September 30, 2009.
- During the year, the City's expenses were \$12,217,616 less than the \$48,117,714 generated in taxes and other revenues for governmental activities.
- The assets of the City of Rockwall attributable to governmental activities exceeded its liabilities at the close of the fiscal year ending September 30, 2009 by \$103,629,886 (net assets). Of this amount \$12,955,777 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- At the end of this fiscal year, unreserved fund balance for the general fund was \$8,293,107 or approximately 39.90 percent of the total general fund expenditures and transfers out.
- The City's total outstanding bonds and certificates of obligation (excluding enterprise and component unit debt) increased by \$14,624,460 during fiscal year 2009. 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.

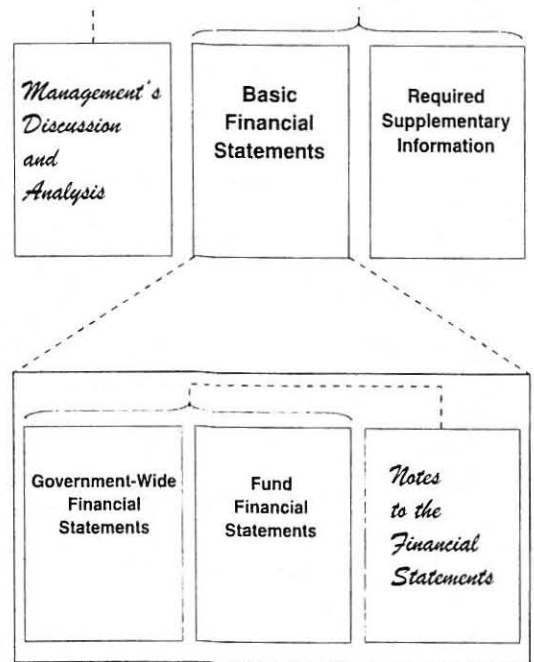
The remaining statements are fund financial statements that focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements.

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



Summary  $\longleftrightarrow$  Detail

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related 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 assets</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 assets</li> <li>◆ Statement of revenues, expenses &amp; changes in fund net assets</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 assets* presents information on all of the city of Rockwall’s assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Rockwall is improving or deteriorating. The statement of net assets 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 assets 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 assets and the statement of activities are prepared utilizing the accrual basis of accounting.

In the Statement of Net Assets 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. The City’s water and sewer system is reported here.

*Component Units* – The City of Rockwall (the primary government) includes two discretely presented component units. The City’s 4A 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 can be 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 20 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, 205 Bypass fund, and the G.O. Bonds Capital Projects fund all of which are considered to be major funds. Data from the other 16 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 fiduciary net assets and a statement of changes in fiduciary net assets. 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 2009, the City's net assets (assets exceeding liabilities) totaled \$170,779,142. This analysis focuses on the net assets (Table 1) and changes in net assets (Table 2).

The largest portion of the City's net assets (83.02% percent) reflects its investment in capital assets (i.e., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that 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 Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 35,699,050	\$ 36,360,385	\$ 30,640,868	\$ 24,777,143	\$ 66,339,918	\$ 61,137,528
Capital Assets	<u>182,827,873</u>	<u>159,028,553</u>	<u>83,311,589</u>	<u>75,677,237</u>	<u>266,139,462</u>	<u>234,705,790</u>
Total Assets	<u>218,526,923</u>	<u>195,388,938</u>	<u>113,952,457</u>	<u>100,454,380</u>	<u>332,479,380</u>	<u>295,843,318</u>
Non-current liabilities	111,487,365	96,442,149	44,007,156	27,620,000	155,494,521	124,062,149
Other liabilities	<u>3,409,672</u>	<u>7,534,519</u>	<u>2,796,045</u>	<u>1,534,833</u>	<u>6,205,717</u>	<u>9,069,352</u>
Total Liabilities	<u>114,897,037</u>	<u>103,976,668</u>	<u>46,803,201</u>	<u>29,154,833</u>	<u>161,700,238</u>	<u>133,131,501</u>
Net Assets						
Invested in capital assets, net of related debt	88,367,580	63,546,273	53,418,392	48,127,382	141,785,972	111,673,655
Restricted for debt service	1,268,238	1,009,161	1,216,379	2,242,596	2,484,617	3,251,757
Restricted for capital projects	1,038,291	13,213,026	6,352,322	15,645,640	7,390,613	28,858,666
Unrestricted	<u>12,955,777</u>	<u>13,643,810</u>	<u>6,162,163</u>	<u>5,283,929</u>	<u>19,117,940</u>	<u>18,927,739</u>
Total net assets	<u>\$103,629,886</u>	<u>\$ 91,412,270</u>	<u>\$67,149,256</u>	<u>\$ 71,299,547</u>	<u>\$170,779,142</u>	<u>\$ 162,711,817</u>

An additional portion of the City of Rockwall's net assets, \$9,875,230 or 5.78% represents resources that are subject to external restrictions on how they may be used. The net assets which are *Restricted for capital projects* are due to debt being issued as projects are designed and construction is beginning. Several projects were completed or are nearing so causing this to be significantly less than in prior years. The remaining unrestricted net assets, \$19,117,940, 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 assets for the year ended September 30, 2009.

**Table 2**  
**Changes in Net Assets**

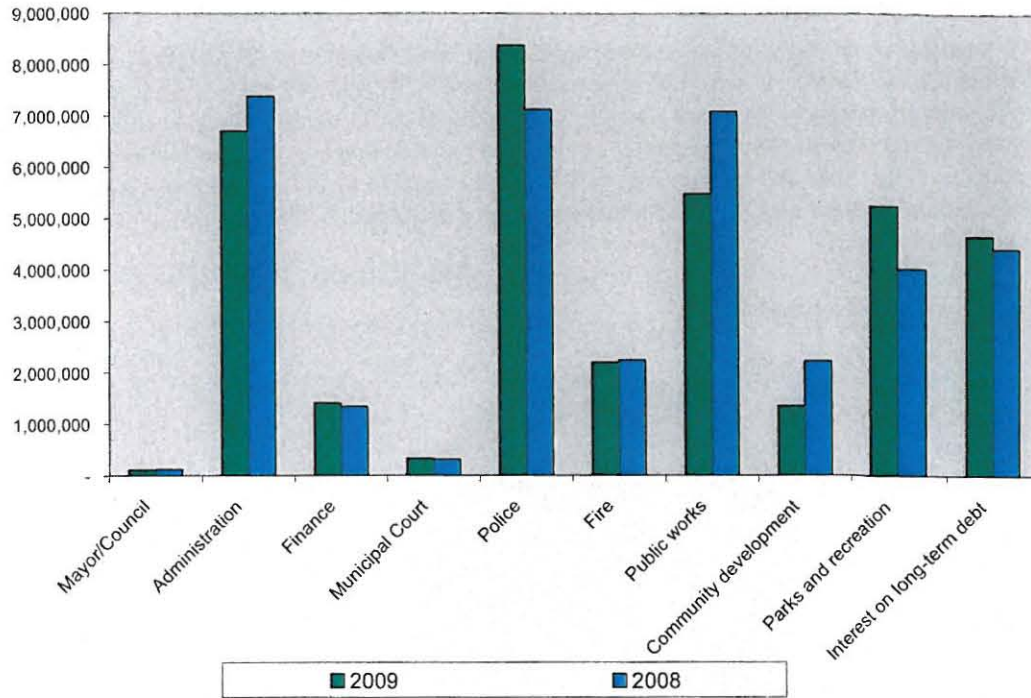
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Program revenues:						
Charges for services	\$ 3,287,149	\$ 3,958,270	\$11,274,215	\$ 10,267,047	\$ 14,561,364	\$ 12,570,130
Operating grants & contributions	81,199	151,741	-	-	81,199	1,059,602
Capital grants & contributions	8,127,487	6,620,540	3,374,321	5,616,869	11,501,808	6,002,082
General Revenues:						
Property taxes	16,422,119	14,780,112	-	-	16,422,119	11,827,931
Sales taxes	10,264,401	10,123,636	-	-	10,264,401	8,901,929
Other	<u>3,734,068</u>	<u>4,625,450</u>	<u>675,348</u>	<u>960,254</u>	<u>4,409,416</u>	<u>6,077,883</u>
Total revenues	41,916,423	40,259,749	15,323,884	16,844,170	57,240,307	46,439,557
Program expenses:						
Mayor/Council	109,844	117,366	-	-	109,844	111,555
Administration	6,707,709	7,384,773	-	-	6,707,709	5,523,924
Finance	1,409,054	1,338,894	-	-	1,409,054	1,138,210
Municipal Court	334,922	312,601	-	-	334,922	298,383
Police	8,384,774	7,130,698	-	-	8,384,774	7,001,771
Fire	2,201,236	2,242,829	-	-	2,201,236	2,207,468
Public works	5,482,571	7,094,068	-	-	5,482,571	6,928,067
Community development	1,350,023	2,229,753	-	-	1,350,023	2,018,363
Parks and recreation	5,250,506	4,025,927	-	-	5,250,506	3,088,750
Interest on long-term debt	4,669,459	4,418,519	-	-	4,669,459	3,612,523
Water and sewer	-	-	<u>13,272,884</u>	<u>12,206,742</u>	<u>13,272,884</u>	<u>10,917,707</u>
Total expenses	35,900,098	36,295,428	13,272,884	12,206,742	49,172,982	42,846,721
Increase (decrease) in net assets						
before transfers	6,016,325	3,964,321	2,051,000	4,637,428	8,067,325	3,592,836
Transfers	<u>6,201,291</u>	<u>1,315,405</u>	<u>(6,201,291)</u>	<u>(1,315,405)</u>	-	-
Increase (decrease) in net assets	12,217,616	5,279,726	(4,150,291)	3,322,023	8,067,325	3,592,836
Net assets, October 1	<u>91,412,270</u>	<u>86,132,544</u>	<u>71,299,547</u>	<u>67,977,524</u>	<u>162,711,817</u>	<u>154,110,068</u>
Net assets, September 30	<u>\$103,629,886</u>	<u>\$ 91,412,270</u>	<u>\$ 67,149,256</u>	<u>\$ 71,299,547</u>	<u>\$ 170,779,142</u>	<u>\$ 157,702,904</u>

### Governmental Activities

The City's total revenues of governmental activities were \$41,916,423. A significant portion 39.2%, of the City's revenues came from property taxes. Another 24.5% 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 increased valuation throughout the City as well as increases in the tax rate to pay debt service. Assessed values of the properties in the City increased by \$206,618,677 or 7.4%. The City adopted a property tax rate of 50.31 cents per \$100 of assessed valuation for fiscal year 2009. The rate did not increase over the prior year's rate. Sales tax revenue increased only slightly over the prior year. The increase, a modest 1.39% was reflective of a general slowing of the economy tempered by new business openings.

The economy which began to slow during 2008, continued slowing in 2009. The national decline in new housing starts was felt on the local level with residential building permits low but in line with the prior year. The City experienced moderate levels of commercial building during the fiscal year which kept revenues in line with prior years. Over the past several years, Rockwall County, of which the City of Rockwall is the County seat, was one of the fastest growing counties in America, and the fastest growing county in Texas. The City's investment earnings included in the "other" revenues above were significantly lower than in year's past.

**Comparative Expenses – Governmental Activities**



The total cost of all programs and services were \$35,900,098. Of these costs \$8,384,774 (23.6%) was for the Police Department. Administrative departments including Administration, Human Resources, and Internal Operations had combined costs of \$6,707,709 (18.7%). Public Works costs were \$5,482,571 (15.3%) and reflected ongoing projects.

**Business-Type Activities**

The City's business-type activities recorded a decrease of \$4,150,291 in net assets. Water sales increased by 8.9% over the prior year but are not back to the consumption levels seen before the extended period of near record drought conditions in 2007-08. The City's rates were increased in January 2009 which led to the additional revenue this year. The City implemented conservation water rates in 2001 and increases them each time new rates are adopted. Sewer charges were not affected significantly because the City uses winter averaging to calculate sewer billing. Water and sewer charges were \$11,274,415. The ending working capital, excluding restricted assets and accounts payable to be paid from restricted assets, for the water and sewer fund was \$3,944,920.

Water and sewer impact fees revenue totaled \$731,094 for the fiscal year. The City conducted an impact fee analysis and new rates were adopted during this fiscal year, positively impacting revenues. Impact fees, paid by developers and are designed to reduce the system's initial costs in building assets.

The City's water system has achieved the "Superior" rating by the Texas Commission on Environmental Quality.

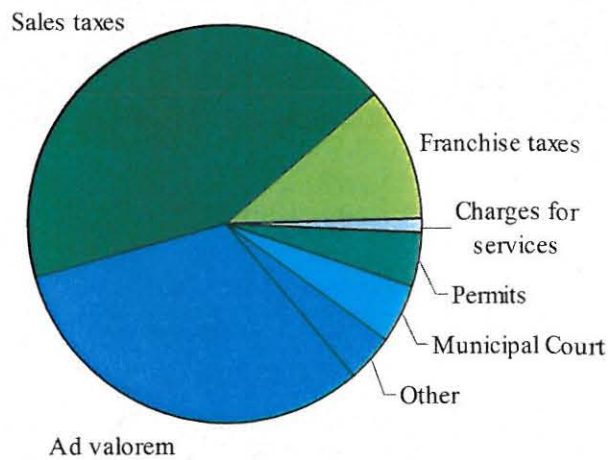
## Component Units

The Rockwall Economic Development Corporation (REDC) reported revenues primarily from a ½ cent sales tax, authorized under the 4A Corporation statutes, of \$3,300,452. Assets managed by the corporation include an inventory of over 310 acres of land, zoned for light industrial uses and available for sale and an industrial building currently leased and also 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 unreserved fund balance of \$8,293,017. The main source of general fund revenue is sales tax, it accounted for \$9,791,542 (43.3%) of total general fund revenue. Ad valorem property taxes account for \$7,174,251 (31.7%) of general fund revenues. The City maintains the unreserved 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.

### Revenues by Source – General Fund



The City's *Debt Service Fund* reported an increase in fund balance of \$286,543. Property tax collections for debt service requirements were \$8,698,663. This represents an increase of 12.8% in order to pay debt service payments on bonds issued to construct numerous road and parks projects underway in 2009. After extensive study, the City adopted a Roadway Impact Fee in fiscal year 2009 which will be a revenue source in this fund.

The City began several road projects in fiscal year 2007 and 2008 which were funded through debt issuance. The City reports these projects in its *GO Bonds Capital Projects Fund*. The City issued General Obligation bonds for voter approved projects. In addition to roadway rehabilitation and extension projects, completion of neighborhood parks projects and construction of two fire stations was funded. Capital Outlay totaling \$7,487,349 is reported for 2009 on these multi-year projects. The majority of the projects, including both fire stations were completed in 2009.

The City also issued General Obligation bonds in years 2006 - 2009 to complete the design and construction of the new *205 Bypass Project*, now formally named John King Boulevard. Voters approved construction of the roadway in a 2005 Bond Election Proposition. The project included the multi-phase design, right of way acquisition and construction of a new 7 mile roadway on the eastern edge of the City designed to alleviate traffic burdens on State Highway 205 through the center of the City. The project will be completed by December 31, 2009 and is expected to be under budget.



## GENERAL FUND BUDGETARY HIGHLIGHTS

During fiscal year 2009, 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 \$21,622,400 decreased to \$21,286,100 while revenues increased from \$21,860,000 to \$22,540,900. The City of Rockwall had originally estimated the ending general fund balance to be \$7,881,164 however due to the budget adjustments mentioned above and a planned reduction in fund balance for equipment for the new fire stations, the fund balance was re-estimated to be \$7,708,764.

General fund revenues were \$22,604,520, in line with the final budget projections. Actual general fund total expenditures were \$20,843,407 a decrease of \$442,693 less than final projections. This allowed the City to end the year with a fund balance of \$8,295,977, an increase of \$587,213 over the projected balance. The higher fund balance is attributable to management's conservative projections of both revenues and expenditures and savings in the final fire station equipment costs.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal year 2009 the City had \$266,139,461 (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	
	2009	2008	2009	2008	2009	2008
Land	\$ 5,692,561	\$ 5,692,561	\$ 799,533	\$ 799,533	\$ 6,492,094	\$ 6,492,094
Buildings	9,288,285	8,055,502	95,102	100,537	9,383,387	8,156,039
Improvements other than buildings	21,622,268	21,826,441	60,685,467	56,659,071	82,307,735	78,485,512
Machinery & Equipment	5,263,317	5,034,169	708,000	613,745	5,971,317	5,647,914
Infrastructure	79,401,906	73,584,182	-	-	79,401,906	73,584,182
Construction in Progress	61,559,536	44,835,698	12,921,047	9,153,065	74,480,583	53,988,763
Wastewater treatment facilities	-	-	8,102,439	8,351,286	8,102,439	8,351,286
	<u>\$82,827,873</u>	<u>\$159,028,553</u>	<u>\$ 83,311,588</u>	<u>\$75,677,237</u>	<u>\$266,139,461</u>	<u>\$234,705,790</u>

The City's capital improvement program includes a number of voter authorized projects to construct new streets and reconstruct several older city streets. Many of those projects were under construction in 2009 and nearing completion. A number of drainage projects were anticipated during the five-year planned capital improvement period. The City completed construction on the Fire Stations 3 and 4 in summer 2009.

The City held a bond election in November 2005 which funded road, park and fire projects in excess of \$64,000,000. In addition to the 205 Bypass project, the City was authorized to move forward with several neighborhood parks projects and the acquisition of land for two large regional parks. Progress has been made and includes the purchase of land for a large park in the northern area of the City, and completed construction on all of the neighborhood parks.

Construction in progress at September 30, 2009 for governmental activities included the ongoing construction costs associated with the 205 Bypass project and various other improvements.

Notably, the construction in progress at fiscal year end for business-type funds includes the construction of waterline improvements and the extension of sanitary sewers into new areas of the city. Work commenced on a project to connect the Squabble Creek treatment plan to the regional wastewater interceptor project and will continue through 2010

Additional information regarding the City's capital assets is found in note IV-C on pages 62-64.

Debt

At year end, the City had \$153,731,754 in bonds and capitalized leases shown in Table 4.

**Table 4  
City of Rockwall Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 86,179,822	\$ 74,925,362	\$ 135,178	\$ 154,638	\$ 86,315,000	\$ 75,080,000
Certificates of obligation	22,425,000	18,810,000	25,890,000	9,935,000	48,315,000	28,745,000
Contractual obligations	-	245,000	-	-	-	245,000
Tax notes	-	-	-	-	-	-
Revenue bonds	-	-	11,670,000	12,530,000	11,670,000	12,530,000
Capital Lease obligations	-	-	7,431,754	4,805,090	7,431,754	4,805,090
	<u>\$ 108,604,822</u>	<u>\$ 93,980,362</u>	<u>\$ 45,126,932</u>	<u>\$27,424,728</u>	<u>\$153,731,754</u>	<u>\$121,405,090</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 debt to assessed value of all taxable property is 3.57% or \$3,349 per capita.

The City's bond ratings at September 30, 2009 were as follows:

	<u>General Obligation</u>	<u>Revenue</u>	<u>Sales Tax(REDC)</u>
Standard & Poor's Rating Group	A+	A-	A-
Moody's Investor Service Inc.	A1	A2	A2

Additional information on the City of Rockwall's long-term debt can be found in note IV-E, on pages 65-72 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 2010 budget, tax rate, and fees that will be charged for the business-type activities. The major factor affecting all decisions has been and will continue to be the slowed growth in our community and the impact of the national economic recession. Rockwall saw the construction of several new commercial/retail business developments which positively impacted sales tax revenues in 2009. Costco's opening in April 2009 provided a new stream of sales tax revenues which will continue into a portion of budget year 2010. Slowed development caused the City to be very conservative in projecting revenues from sales taxes and building permits. Commercial

building starts were strong in 2009, but are projected to be more moderate in 2010. Interviews with local builders led the City to project continued slow 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 7%, well below the national totals.

The City of Rockwall considered these factors when adopting the General Fund budget for fiscal year 2010. The budgeted revenues for fiscal year 2010 total \$22,829,800 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. Debt issuance in 2010 will be significantly less than in years 2006 – 2009 due to completion of several major voter approved projects. The property tax rate was maintained at 50.31 cents per hundred dollars of assessed value. Due to the slowing economy but in recognition of the impact of several months of new revenues from the Costco Wholesale Store, city officials have projected a .5% increase in that revenue over the prior fiscal year.

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 budget as adopted for fiscal year 2010 projects a fund balance of approximately 4.3 months of recurring operating expenditures.

The 2010 budget expenditures includes absorbing the remaining costs associated with the addition of nine shift firefighter positions with the opening of the new fire stations as well as the Main Street program. The budget did not include significant new programs due to budgetary constraints. The City completed annexation of the Lake Rockwall Estates area and the budget does include costs necessary to begin city services to the area.

The water and sewer rate study has been updated and the budget anticipates an increase in the rates which will be considered by the City Council in fall 2009. A number of capital projects to continue system expansion and the system are being planned for fiscal year 2010 while operational costs will be maintained at prior year levels.

## **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 Director of Finance, Mary Smith at (972) 771-7700; Finance Department; City of Rockwall; 385 South Goliad Street, Rockwall TX 75087. Email [msmith@rockwall.com](mailto:msmith@rockwall.com).

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*Basic Financial Statements*

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## CITY OF ROCKWALL, TEXAS

STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2009

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<i>Cash and cash equivalents</i>	\$ 2,641,638	\$ 188,982	\$ 2,830,620	\$ 335,485
<i>Investments</i>	26,640,827	3,786,586	30,427,413	6,590,684
<i>Receivables (net of allowances for uncollectibles)</i>	3,128,381	1,760,832	4,889,213	25,191
<i>Internal balances</i>	--	--	--	--
<i>Due from other governments</i>	1,670,706	--	1,670,706	556,571
<i>Due from primary government</i>	--	--	--	16,422
<i>Inventories</i>	2,870	219,901	222,771	13,866,127
Restricted assets:				
<i>Cash and cash equivalents</i>	--	1,994,982	1,994,982	--
<i>Investments</i>	--	22,036,266	22,036,266	--
<i>Accrued interest</i>	--	92,708	92,708	--
<i>Deferred charges</i>	1,614,628	560,611	2,175,239	184,380
Capital assets (net of accumulated depreciation)				
<i>Land</i>	5,692,561	799,533	6,492,094	--
<i>Buildings and system</i>	9,288,283	68,883,009	78,171,292	--
<i>Improvements other than buildings</i>	21,622,268	--	21,622,268	--
<i>Machinery and equipment</i>	5,263,318	708,000	5,971,318	16,073
<i>Infrastructure</i>	79,401,906	--	79,401,906	--
<i>Construction in progress</i>	61,559,537	12,921,047	74,480,584	--
<b>Total Assets</b>	<b>218,526,923</b>	<b>113,952,457</b>	<b>332,479,380</b>	<b>21,590,933</b>
<b>LIABILITIES</b>				
<i>Accounts payable and accrued liabilities</i>	3,194,371	1,190,138	4,384,509	376,489
<i>Deferred revenue</i>	44,208	--	44,208	--
<i>Due to other governments</i>	154,671	--	154,671	--
<i>Due to primary government</i>	16,422	--	16,422	--
<i>Customer deposits</i>	--	319,550	319,550	--
<i>Liabilities payable from restricted assets</i>	--	1,286,357	1,286,357	--
Noncurrent liabilities:				
<i>Due within one year</i>	4,730,243	935,276	5,665,519	1,106,930
<i>Due in more than one year</i>	106,757,122	43,071,880	149,829,002	19,687,980
<b>Total Liabilities</b>	<b>114,897,037</b>	<b>46,803,201</b>	<b>161,700,238</b>	<b>21,171,399</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	88,367,580	53,418,392	141,785,972	16,073
Restricted For:				
<i>Debt Service</i>	1,268,238	1,216,379	2,484,617	--
<i>Capital Projects</i>	1,038,291	6,352,322	7,390,613	--
Unrestricted	12,955,777	6,162,163	19,117,940	403,461
<b>Total Net Assets</b>	<b>\$ 103,629,886</b>	<b>\$ 67,149,256</b>	<b>\$ 170,779,142</b>	<b>\$ 419,534</b>

The accompanying notes are an integral part of this statement.

**CITY OF ROCKWALL, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental Activities:				
Mayor/Council	\$ 109,844	\$ --	\$ --	\$ --
Administration	6,707,709	70,773	33,134	111
Finance	1,409,054	375	10,000	--
Municipal court	334,922	1,082,488	--	--
Police	8,384,774	516,591	27,277	37,745
Fire	2,201,236	124,830	10,788	--
Public works	5,482,571	99,753	--	8,088,298
Community development	1,350,023	1,025,979	--	--
Parks and recreation	5,250,506	366,360	--	1,333
Interest on long-term debt	4,669,459	--	--	--
Total governmental activities	<u>35,900,098</u>	<u>3,287,149</u>	<u>81,199</u>	<u>8,127,487</u>
Business-type Activities:				
Water and Sewer	13,272,884	11,274,215	--	3,374,321
Total Business-type Activities	<u>13,272,884</u>	<u>11,274,215</u>	<u>--</u>	<u>3,374,321</u>
Total Primary Government	<u>\$ 49,172,982</u>	<u>\$ 14,561,364</u>	<u>\$ 81,199</u>	<u>\$ 11,501,808</u>
<b>COMPONENT UNITS:</b>				
Economic Development Corporation	\$ 4,089,806	\$ 4,236	\$ --	\$ --
Rockwall Technology Park Association	142,192	146,625	--	--
Total Component Units	<u>\$ 4,231,998</u>	<u>\$ 150,861</u>	<u>\$ --</u>	<u>\$ --</u>
General Revenues:				
<i>Ad valorem taxes, penalty and interest</i>				
<i>Sales Taxes</i>				
<i>Franchise Taxes</i>				
<i>Miscellaneous</i>				
<i>Unrestricted Investment Earnings</i>				
Transfers				
Total General Revenues				
Change in Net Assets				
Net Assets - Beginning				
Net Assets - Ending				

The accompanying notes are an integral part of this statement.



Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total	Component Units
\$ (109,844)		\$ (109,844)	
(6,603,691)		(6,603,691)	
(1,398,679)		(1,398,679)	
747,566		747,566	
(7,803,161)		(7,803,161)	
(2,065,618)		(2,065,618)	
2,705,480		2,705,480	
(324,044)		(324,044)	
(4,882,813)		(4,882,813)	
(4,669,459)		(4,669,459)	
<u>(24,404,263)</u>		<u>(24,404,263)</u>	
--	\$ 1,375,652	1,375,652	
--	1,375,652	1,375,652	
<u>(24,404,263)</u>	<u>1,375,652</u>	<u>(23,028,611)</u>	
			\$ (4,085,570)
			4,433
			<u>(4,081,137)</u>
16,422,119	--	16,422,119	--
10,264,401	--	10,264,401	3,300,452
2,352,745	--	2,352,745	--
769,707	97,102	866,809	--
611,616	578,246	1,189,862	95,176
6,201,291	(6,201,291)	--	--
<u>36,621,879</u>	<u>(5,525,943)</u>	<u>31,095,936</u>	<u>3,395,628</u>
12,217,616	(4,150,291)	8,067,325	(685,509)
91,412,270	71,299,547	162,711,817	1,105,043
<u>\$ 103,629,886</u>	<u>\$ 67,149,256</u>	<u>\$ 170,779,142</u>	<u>\$ 419,534</u>

**CITY OF ROCKWALL, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2009**

	General Fund	Debt Service Fund
<b>ASSETS</b>		
<i>Cash and cash equivalents</i>	\$ 895,485	\$ 167,580
<i>Investments</i>	6,763,154	635,858
Receivables (net of allowances for uncollectibles):	--	--
<i>Taxes - delinquent</i>	191,425	207,569
<i>Fines</i>	65,559	--
<i>Accrued interest</i>	55,958	--
<i>Accounts receivable</i>	16,961	--
<i>Assessments receivable</i>	--	--
<i>Other receivables</i>	278,809	--
<i>Due from other funds</i>	267,728	273,712
<i>Due from other governments</i>	1,633,626	--
<i>Inventory</i>	2,870	--
<b>Total Assets</b>	<b>\$ 10,171,575</b>	<b>\$ 1,284,719</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
<i>Accounts payable and accrued liabilities</i>	\$ 1,216,338	\$ --
<i>Deferred revenue</i>	504,589	191,002
<i>Due to other funds</i>	--	--
<i>Due to other governments</i>	154,671	--
<i>Due to primary government</i>	--	16,422
<b>Total Liabilities</b>	<b>1,875,598</b>	<b>207,424</b>
Fund balances:		
Reserved for:		
<i>Inventory</i>	2,870	--
<i>Debt service</i>	--	1,077,295
Unreserved, reported in:		
<i>General fund</i>	8,293,107	--
<i>Special revenue funds</i>	--	--
<i>Capital projects funds</i>	--	--
<b>Total fund balances</b>	<b>8,295,977</b>	<b>1,077,295</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,171,575</b>	<b>\$ 1,284,719</b>

The accompanying notes are an integral part of this statement.

205 Bypass Project	G.O. Bonds Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 878,655	\$ 311,811	\$ 359,176	\$ 2,612,707
5,514,853	4,603,188	8,028,550	25,545,603
--	--	--	--
--	--	--	398,994
--	--	--	65,559
36,866	27,943	--	120,767
--	118,412	767,090	902,463
--	--	149,589	149,589
--	--	4,670	283,479
--	--	--	541,440
--	--	37,080	1,670,706
--	--	--	2,870
<u>\$ 6,430,374</u>	<u>\$ 5,061,354</u>	<u>\$ 9,346,155</u>	<u>\$ 32,294,177</u>
\$ 408,650	\$ 209,365	\$ 277,748	\$ 2,112,101
--	118,412	193,797	1,007,800
--	--	324,025	324,025
--	--	--	154,671
--	--	--	16,422
<u>408,650</u>	<u>327,777</u>	<u>795,570</u>	<u>3,615,019</u>
--	--	--	2,870
--	--	(59)	1,077,236
--	--	--	8,293,107
--	--	2,399,605	2,399,605
6,021,724	4,733,577	6,151,039	16,906,340
<u>6,021,724</u>	<u>4,733,577</u>	<u>8,550,585</u>	<u>28,679,158</u>
<u>\$ 6,430,374</u>	<u>\$ 5,061,354</u>	<u>\$ 9,346,155</u>	<u>\$ 32,294,177</u>

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**CITY OF ROCKWALL, TEXAS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 SEPTEMBER 30, 2009

Total fund balances - governmental funds balance sheet	\$ 28,679,158
Amounts reported for governmental activities in the statement of net assets ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	182,827,873
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	368,693
The assets and liabilities of internal service funds are included in governmental activities in the SNA.	642,772
Payables for bond principal which are not due in the current period are not reported in the funds.	(110,446,756)
Payables for bond interest which are not due in the current period are not reported in the funds.	(725,507)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(1,040,609)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	1,614,628
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	55,364
Franchise taxes receivable unavailable to pay for current period expenditures are not accrued in the funds.	1,114,733
Contribution receivables unavailable to pay for current period expenditures are deferred in the funds.	118,412
Assessments receivable unavailable to pay for current period expenditures are deferred in the funds.	149,589
Contracts receivable unavailable to pay for current period expenditures are deferred in the funds.	271,536
Net assets of governmental activities - statement of net assets	<u>\$ 103,629,886</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, 2009**

	General Fund	Debt Service Fund
<b>Revenues:</b>		
<i>Ad valorem taxes, penalty and interest</i>	\$ 7,174,251	\$ 8,698,663
<i>Sales taxes</i>	9,791,542	--
<i>Franchise taxes</i>	2,444,296	--
<i>Charges for services</i>	268,466	--
<i>Permits</i>	1,005,541	--
<i>Municipal court</i>	1,052,403	--
<i>Intergovernmental</i>	375,981	--
<i>Interest income</i>	313,048	9,246
<i>Miscellaneous</i>	168,992	118,248
<i>Donations</i>	10,000	--
<b>Total revenues</b>	<u>22,604,520</u>	<u>8,826,157</u>
<b>Expenditures:</b>		
<b>Current:</b>		
<i>Mayor/Council</i>	109,845	--
<i>Administration</i>	3,069,653	--
<i>Finance</i>	998,497	--
<i>Municipal court</i>	318,467	--
<i>Police</i>	7,583,087	--
<i>Fire</i>	1,615,570	--
<i>Public works</i>	1,528,010	--
<i>Community development</i>	1,258,030	--
<i>Parks and recreation</i>	4,320,322	--
<b>Total current</b>	<u>20,801,481</u>	<u>--</u>
<b>Capital outlay:</b>		
<i>Administration</i>	--	--
<i>Finance</i>	--	--
<i>Police</i>	20,425	--
<i>Fire</i>	--	--
<i>Public works</i>	735	--
<i>Parks and recreation</i>	20,766	--
<b>Total capital outlay</b>	<u>41,926</u>	<u>--</u>
<b>Debt service:</b>		
<i>Principal</i>	--	4,430,540
<i>Interest</i>	--	4,062,552
<i>Fiscal charges</i>	--	15,284
<i>Bond issuance cost</i>	--	--
<b>Total debt service:</b>	<u>--</u>	<u>8,508,376</u>
<b>Total expenditures</b>	<u>20,843,407</u>	<u>8,508,376</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,761,113</b>	<b>317,781</b>
<b>Other financing sources (uses):</b>		
<i>Transfers in</i>	754,800	18,762
<i>Transfers out</i>	(2,486,750)	(50,000)
<i>Proceeds of long-term debt</i>	--	--
<i>Premium on bonds issued</i>	--	--
<i>Discount on bonds issued</i>	--	--
<i>Payment to refunded bond escrow agent</i>	--	--
<b>Total other financing sources (uses)</b>	<u>(1,731,950)</u>	<u>(31,238)</u>
<b>Net change in fund balances</b>	<b>29,163</b>	<b>286,543</b>
<b>Fund balances, October 1</b>	<b>8,266,814</b>	<b>790,752</b>
<b>Fund balances, September 30</b>	<u>\$ 8,295,977</u>	<u>\$ 1,077,295</u>

The accompanying notes are an integral part of this statement.

205 Bypass Project	G.O. Bonds Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ --	\$ --	\$ 534,661	\$ 16,407,575
--	--	472,859	10,264,401
--	--	--	2,444,296
--	--	469,680	738,146
--	--	--	1,005,541
--	--	4,501	1,056,904
--	--	52,766	428,747
172,024	97,940	19,357	611,615
17,252	3,577	564,919	872,988
810,527	145,096	1,846,834	2,812,457
<u>999,803</u>	<u>246,613</u>	<u>3,965,577</u>	<u>36,642,670</u>
--	--	--	109,845
--	--	289,052	3,358,705
--	--	267,939	1,266,436
--	--	--	318,467
--	--	192,535	7,775,622
--	--	2,989	1,618,559
--	--	--	1,528,010
--	--	--	1,258,030
--	--	173,202	4,493,524
--	--	<u>925,717</u>	<u>21,727,198</u>
16,154,563	2,012,324	261,003	18,427,890
--	--	78,866	78,866
--	--	238,198	258,623
--	5,127,105	1,335,586	6,462,691
--	--	90,063	90,798
--	347,920	113,491	482,177
<u>16,154,563</u>	<u>7,487,349</u>	<u>2,117,207</u>	<u>25,801,045</u>
--	--	240,000	4,670,540
--	--	653,993	4,716,545
--	--	--	15,284
122,464	72,533	47,176	242,173
<u>122,464</u>	<u>72,533</u>	<u>941,169</u>	<u>9,644,542</u>
16,277,027	7,559,882	3,984,093	57,172,785
(15,277,224)	(7,313,269)	(18,516)	(20,530,115)
3,068,404	4,297,691	525,100	8,664,757
(13,788)	(1,073,378)	(865,050)	(4,488,966)
12,143,219	6,436,781	5,520,000	24,100,000
290,639	191,905	73,591	556,135
(40,192)	(30,546)	(40,774)	(111,512)
(2,757,413)	(2,095,634)	--	(4,853,047)
<u>12,690,869</u>	<u>7,726,819</u>	<u>5,212,867</u>	<u>23,867,367</u>
(2,586,355)	413,550	5,194,351	3,337,252
8,608,079	4,320,027	3,356,234	25,341,906
<u>\$ 6,021,724</u>	<u>\$ 4,733,577</u>	<u>\$ 8,550,585</u>	<u>\$ 28,679,158</u>

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**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, 2009

Net change in fund balances - total governmental funds	\$ 3,337,252
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	25,678,145
The depreciation of capital assets used in governmental activities is not reported in the funds.	(6,914,147)
Donations of capital assets increase net assets in the SOA but not in the funds.	5,332,675
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	14,545
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	9,523,587
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	188,197
(Increase) decrease in accrued interest from beginning of period to end of period.	62,370
The net revenue (expense) of internal service funds is reported with governmental activities.	(306,180)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(80,738)
Certain fine revenues are deferred in the funds. This is the change in these amounts this year.	43,377
Certain assessment revenues are deferred in the funds. This is the change in these amounts this year.	526
Revenues in the SOA for franchise taxes not providing current financial resources are not reported in the funds.	(91,551)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(24,100,000)
Bond premiums are reported in the funds but not in the SOA.	(556,135)
Bond discounts are reported in the funds but not in the SOA.	111,512
Certain contracts receivable revenues are deferred in the funds. This is the change in these amounts this year.	(25,819)
Change in net assets of governmental activities - statement of activities	\$ <u>12,217,616</u>

The accompanying notes are an integral part of this statement.

## CITY OF ROCKWALL, TEXAS

## STATEMENT OF NET ASSETS

## PROPRIETARY FUNDS

SEPTEMBER 30, 2009

	Enterprise Fund Water and Sewer Fund	Internal Service Funds
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 188,982	\$ 28,929
Investments	3,786,586	1,095,224
Accounts receivable (net of allowance)	1,760,832	--
Other receivables	--	92,797
Inventory	219,901	--
Restricted assets:		
Cash and cash equivalents	1,994,982	--
Investments	22,036,266	--
Accrued interest	92,708	--
Total current assets	<u>30,080,257</u>	<u>1,216,950</u>
Noncurrent assets:		
Deferred charges	560,611	--
Capital assets not being depreciated	13,720,580	--
Capital assets being depreciated, net	69,591,009	--
Total noncurrent assets	<u>83,872,200</u>	<u>--</u>
Total Assets	<u>113,952,457</u>	<u>1,216,950</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	1,190,138	356,763
Due to other funds	--	217,415
Customer deposits	319,550	--
General obligation bonds - current	906,962	--
Liability for compensated absences	91,731	--
Liabilities Payable From Restricted Assets:		
Revenue bonds payable - current	895,000	--
Obligations under capital leases - current	351,671	--
Accrued interest payable	39,686	--
Total current liabilities	<u>3,794,738</u>	<u>574,178</u>
Noncurrent Liabilities:		
General obligation bonds payable	25,118,216	--
Revenue bonds payable	10,810,163	--
Obligations under capital leases payable	7,080,084	--
Total noncurrent liabilities	<u>43,008,463</u>	<u>--</u>
Total Liabilities	<u>46,803,201</u>	<u>574,178</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	53,418,392	--
Restricted for debt service	1,216,379	--
Restricted for construction	6,352,322	--
Unrestricted	6,162,163	642,772
Total Net Assets	<u>\$ 67,149,256</u>	<u>\$ 642,772</u>

The accompanying notes are an integral part of this statement.

## CITY OF ROCKWALL, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET ASSETS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Enterprise Fund Water and Sewer Fund	Internal Service Funds
OPERATING REVENUES:		
<i>Charges for services</i>	\$ 11,274,215	\$ 463,195
<i>Reinsurance reimbursement</i>	--	245,543
<b>Total Operating Revenues</b>	<u>11,274,215</u>	<u>708,738</u>
OPERATING EXPENSES:		
<i>Personnel services</i>	1,966,671	--
<i>Contractual services</i>	6,459,406	3,062,573
<i>Materials and supplies</i>	466,925	--
<i>Operations</i>	184,279	--
<i>Utilities</i>	439,659	--
<i>Depreciation and amortization</i>	1,740,428	--
<b>Total Operating Expenses</b>	<u>11,257,368</u>	<u>3,062,573</u>
<b>Operating Income (Loss)</b>	<u>16,847</u>	<u>(2,353,835)</u>
NON-OPERATING REVENUES (EXPENSES):		
<i>Capital recovery fees</i>	757,241	--
<i>Interest income</i>	578,246	13,327
<i>Miscellaneous income</i>	97,102	8,828
<i>Paying agent fees</i>	(6,494)	--
<i>Interest expense</i>	(2,009,022)	--
<b>Total Non-operating Revenues (Expenses)</b>	<u>(582,927)</u>	<u>22,155</u>
<b>Net Income (Loss) before Operating Transfers</b>	<u>(566,080)</u>	<u>(2,331,680)</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:		
<i>Capital contributions</i>	2,617,080	--
<i>Transfers in</i>	34,000	2,025,500
<i>Transfers from component unit</i>	--	--
<i>Transfers out</i>	(6,235,291)	--
<b>Total Transfers and Capital Contributions</b>	<u>(3,584,211)</u>	<u>2,025,500</u>
<b>Change in net assets</b>	<u>(4,150,291)</u>	<u>(306,180)</u>
<b>Net assets, October 1</b>	<u>71,299,547</u>	<u>948,952</u>
<b>Net assets, September 30</b>	<u>\$ 67,149,256</u>	<u>\$ 642,772</u>

The accompanying notes are an integral part of this statement.

## CITY OF ROCKWALL, TEXAS

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2009

	Business Type Activities	Governmental Activities
	Enterprise Water and Sewer Fund	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>		
<i>Cash Received from Customers</i>	\$ 10,974,757	\$ 663,097
<i>Cash Payments to Employees for Services</i>	(1,945,089)	--
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(7,298,912)	(3,036,071)
Net Cash Provided (Used) by Operating Activities	<u>1,730,756</u>	<u>(2,372,974)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>		
<i>Cash Paid to Other Funds</i>	(6,235,291)	--
<i>Cash Received From Other Funds</i>	34,000	2,242,915
Net Cash Provided (Used) by Non-capital Financing Activities	<u>(6,201,291)</u>	<u>2,242,915</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
<i>Proceeds from capital debt</i>	19,855,000	--
<i>Principal and Interest Paid</i>	(4,279,529)	--
<i>Capital recovery fees received</i>	757,241	--
<i>Acquisition or Construction of Capital Assets</i>	(6,757,700)	--
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>9,575,012</u>	<u>--</u>
<b>Cash Flows from Investing Activities:</b>		
<i>Purchase of Investment Securities</i>	(33,499,247)	--
<i>Proceeds from Sale and Maturities of Securities</i>	35,855,732	--
<i>Interest and Dividends on Investments</i>	578,246	13,608
Net Cash Provided (Used) for Investing Activities	<u>2,934,731</u>	<u>13,608</u>
Net Increase (Decrease) in Cash and Cash Equivalents	8,039,208	(116,451)
Cash and Cash Equivalents at Beginning of Year	8,347,324	1,240,604
Cash and Cash Equivalents at End of Year	<u>\$ 16,386,532</u>	<u>\$ 1,124,153</u>
<b>Cash Equivalents Included in Investments:</b>		
<i>Unrestricted</i>	\$ 2,082,622	\$ 1,095,224
<i>Restricted</i>	12,119,946	--
	<u>\$ 14,202,568</u>	<u>\$ 1,095,224</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating Income (Loss)	\$ 16,847	\$ (2,353,835)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
<i>Depreciation</i>	1,740,428	--
<i>Miscellaneous Income</i>	97,102	8,828
Change in Assets and Liabilities:		
<i>Decrease (Increase) in Receivables</i>	(221,570)	(54,469)
<i>Decrease (Increase) in Inventories</i>	61,822	--
<i>Decrease (Increase) in Due From Other Governments</i>	--	--
<i>Increase (Decrease) in Accounts Payable and Accrued Liabilities</i>	(7,219)	26,502
<i>Increase (Decrease) in Customer Deposits</i>	21,760	--
<i>Increase (Decrease) in Compensated Absences</i>	21,586	--
Total Adjustments	<u>1,713,909</u>	<u>(19,139)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,730,756</u>	<u>\$ (2,372,974)</u>
<b>Non-Cash Activities:</b>		
<i>Capital Contributions</i>	<u>\$ 2,617,080</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

**CITY OF ROCKWALL, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2009**

	Agency Fund
	Special Escrow Agency
<b>ASSETS</b>	
<i>Cash and cash equivalents</i>	\$ 25,421
<i>Investments</i>	1,342,797
<b>Total Assets</b>	<b>\$ 1,368,218</b>
<b>LIABILITIES</b>	
<i>Due to developers</i>	\$ 1,368,218
<b>Total Liabilities</b>	<b>\$ 1,368,218</b>

The accompanying notes are an integral part of this statement.

**CITY OF ROCKWALL, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2009**

	Rockwall Economic Development Corporation	Rockwall Technology Park	Total Governmental Funds
<b>ASSETS</b>			
<i>Cash and cash equivalents</i>	\$ 320,544	\$ 14,940	\$ 335,484
<i>Investments</i>	6,550,349	40,335	6,590,684
Receivables (net of allowances for uncollectibles):	--	--	--
<i>Accrued interest</i>	1,102	--	1,102
<i>Accounts receivable</i>	22,226	1,863	24,089
<i>Due from other governments</i>	556,571	--	556,571
<i>Due from primary government</i>	16,422	--	16,422
<i>Inventory</i>	13,866,127	--	13,866,127
<b>Total Assets</b>	<b>\$ 21,333,341</b>	<b>\$ 57,138</b>	<b>\$ 21,390,479</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
<i>Accounts payable and accrued liabilities</i>	\$ 206,290	\$ 1,972	\$ 208,262
Liabilities payable from restricted assets:	--	--	--
<b>Total Liabilities</b>	<b>206,290</b>	<b>1,972</b>	<b>208,262</b>
<b>Fund balances:</b>			
<i>Reserved for:</i>			
<i>Inventory</i>	13,866,127	--	13,866,127
<i>Unreserved</i>	7,260,924	55,166	7,316,090
<b>Total fund balances</b>	<b>21,127,051</b>	<b>55,166</b>	<b>21,182,217</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 21,333,341</b>	<b>\$ 57,138</b>	<b>\$ 21,390,479</b>

The accompanying notes are an integral part of this statement.

**CITY OF ROCKWALL, TEXAS**

RECONCILIATION OF THE COMPONENT UNIT GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 SEPTEMBER 30, 2009

Total fund balances - governmental funds balance sheet	\$ 21,182,217
Amounts reported for governmental activities in the statement of net assets ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	16,074
Payables for bond principal which are not due in the current period are not reported in the funds.	(20,774,526)
Payables for bond interest which are not due in the current period are not reported in the funds.	(168,227)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(20,384)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	<u>184,380</u>
Net assets of governmental activities - statement of net assets	<u>\$ 419,534</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, 2009

	Rockwall Economic Development Corporation	Rockwall Technology Park	Total Governmental Funds
Revenues:			
<i>Sales taxes</i>	\$ 3,300,451	\$ --	\$ 3,300,451
<i>Charges for services</i>	4,236	--	4,236
<i>Interest income</i>	94,774	402	95,176
<i>Miscellaneous</i>	--	146,625	146,625
Total revenues	<u>3,399,461</u>	<u>147,027</u>	<u>3,546,488</u>
Expenditures:			
Current:			
<i>Administration</i>	879,836	142,192	1,022,028
Total current	<u>879,836</u>	<u>142,192</u>	<u>1,022,028</u>
Capital outlay:			
<i>Administration</i>	2,147,960	--	2,147,960
Total capital outlay	<u>2,147,960</u>	<u>--</u>	<u>2,147,960</u>
Debt service:			
<i>Principal</i>	1,095,000	--	1,095,000
<i>Interest</i>	943,226	--	943,226
<i>Fiscal charges</i>	3,322	--	3,322
<i>Bond issuance cost</i>	100,159	--	100,159
Total debt service:	<u>2,141,707</u>	<u>--</u>	<u>2,141,707</u>
Total expenditures	<u>5,169,503</u>	<u>142,192</u>	<u>5,311,695</u>
Excess (deficiency) of revenues over (under) expenditure	(1,770,042)	4,835	(1,765,207)
Other financing sources (uses):			
<i>Proceeds of long-term debt</i>	6,130,000	--	6,130,000
Total other financing sources (uses)	<u>6,130,000</u>	<u>--</u>	<u>6,130,000</u>
Net change in fund balances	4,359,958	4,835	4,364,793
Fund balances, October 1	16,767,093	50,331	16,817,424
Fund balances, September 30	<u>\$ 21,127,051</u>	<u>\$ 55,166</u>	<u>\$ 21,182,217</u>

The accompanying notes are an integral part of this statement.



**CITY OF ROCKWALL, TEXAS**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF COMPONENT UNIT GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Net change in fund balances - total governmental funds	\$ 4,364,793
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
The depreciation of capital assets used in governmental activities is not reported in the funds.	(3,997)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,095,000
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	70,897
(Increase) decrease in accrued interest from beginning of period to end of period.	(79,267)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(2,935)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	<u>(6,130,000)</u>
Change in net assets of governmental activities - statement of activities	<u>\$ (685,509)</u>

The accompanying notes are an integral part of this statement.

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2009

**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 principals 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 five 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 (RTP) provides repair and maintenance of the common area within the park being developed by REDC. RTP's board of directors is composed of representatives of the landowners. At September 30, 2009, 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.

The funds of both REDC and RTP are composed of governmental fund types. Stand alone financial statements for RTP as of and for the fiscal year ended September 30, 2009 are not prepared.

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

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) 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

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2009

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 *205 Bypass Project Fund* accounts for revenues and expenditures related to the construction of the of the new 205 Bypass roadway project.

The *G.O. Bonds Capital Projects Fund* accounts for the acquisition or construction of capital assets used in the operation of governmental funds.

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.

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2009

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).

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.

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 assets 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.

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2009

- 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.
- 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.

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2009

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 County 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.

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.

**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2009

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 1.25 days 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. A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements.

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 assets. 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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One

**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2009

element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and are deferred in the funds." The details of this \$1,614,628 difference are as follows:

Bonds issuance costs:	
City	<u>\$1,614,628</u>

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities :

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Revenues in the Statement of Activities not providing current financial resources are not reported as revenues in the funds." The details of this \$91,551 difference are as follows:

Estimate of semi-annual franchise tax on electricity	<u>\$91,551</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 2009, 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

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.



**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2009

B. Excess of expenditures over appropriations

The following funds had expenditures in excess of appropriations:

SPECIAL REVENUE FUNDS	
Cemetery Fund	\$800
PID	304,026

C. Deficit fund equity

The following funds had deficit fund balances at September 30, 2009:

Harbor Debt Service Fund	\$59
Employee Benefits Internal Service Fund	\$427,616

The deficit in the Harbor Debt Service Fund was caused by unanticipated expenditures, and will be covered by additional revenues in the future. The deficit in the Employee Benefits fund was caused by unanticipated health care cost increases, and will be covered by additional transfers from the general fund.

**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, 2009, 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 \$1,992,054 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 assets.

The deposits of REDC and RTPA are covered by the City's depository contract and, therefore, at September 30, 2009, 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, 2009

Investments

At September 30, 2009, the City's investments were:

	Carrying	Maturity (months)			
	Value	Less than 1	2-6	7-12	13-18
<b>Primary Government</b>					
U.S. Government Agencies					
Federal Home Loan Bank	\$12,247,756	\$5,000,000	--	\$2,079,005	\$5,168,751
Federal Home Loan Mortgage Corp.	3,000,000	--	3,000,000	--	--
Federal National Mortgage Asso.	3,500,000	--	--	3,500,000	--
	18,747,756	5,000,000	3,000,000	5,579,005	5,168,751
Money Market Funds	33,715,923	33,715,923	--	--	--
Total Primary Government	52,463,679	38,715,923	3,000,000	5,579,005	5,168,751
Fiduciary Fund	1,342,797	1,342,797	--	--	--
<b>Discrete Component Units</b>					
Rockwall Economic Development Corporation					
Money Market Funds	6,550,349	6,550,349	--	--	--
Rockwall Technology Park					
Money Market Funds	40,335	40,335	--	--	--
Total Discrete Component Units	6,590,684	6,590,684	--	--	--
Total Reporting Entity	\$60,397,160	\$46,649,404	\$3,000,000	\$5,579,005	\$5,168,751
Investments are reported in the Statement of net assets as follows:					
Governmental activities	\$26,640,827				
Business-type activities	25,822,852				
Discrete component units:					
Rockwall Economic Development Corporation					
	6,550,349				
Rockwall Technology Park					
	40,335				
Fiduciary Fund	1,342,797				
	\$60,397,160				

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2009

B. Receivables

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

	General	Debt Service	205 Bypass Project	G.O. Bonds Capital Projects	Nonmajor and Other	Water and Sewer
Taxes receivable - delinquent	\$191,425	\$207,569	\$ --	\$ --	\$ --	\$ --
Fines receivable	\$102,469	\$ --	\$ --	\$ --	\$ --	\$ --
Allowance for uncollectibles	(36,910)	--	--	--	--	--
	\$65,559	\$ --	\$ --	\$ --	\$ --	\$ --
Accrued Interest	\$55,958	\$ --	\$36,866	\$27,943	\$ --	\$92,708
Accounts receivable	\$16,961	\$ --	\$ --	\$118,412	\$767,090	\$2,250,250
Allowance for uncollectibles	--	--	--	--	--	(489,418)
Net other receivables	\$16,961	\$ --	\$ --	\$118,412	\$767,090	\$1,760,832
Assessments receivable	\$ --	\$ --	\$ --	\$ --	\$149,589	\$149,589
Other receivables	\$278,809	\$ --	\$ --	\$ --	\$4,670	\$ --

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)	\$177,691	\$ --
Contract receivable not yet due	271,534	--
Fines receivable	55,364	--
Delinquent property taxes receivable (Debt Service Fund)	191,002	--
Assessments receivable not yet due (Street improvements)	149,589	--
Contributions not yet received (Street Improvements)	118,412	--
Seizures not awarded (Special Crimes Unit)	44,208	44,208
Total deferred/unearned revenue for governmental funds	\$1,007,800	\$44,208

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2009

C. Capital assets

Capital asset activity for the year ended September 30, 2009:

Primary Government

	Balance 9/30/08	Additions	Retirements	Completed Construction	Balance 9/30/09
<b>GOVERNMENTAL ACTIVITIES:</b>					
Capital assets, not being depreciated:					
Land	\$5,692,561	\$ --	\$ --	\$ --	\$5,692,561
Construction in progress	44,835,698	22,883,881	--	(6,160,043)	61,559,536
Total capital assets not being depreciated	50,528,259	22,883,881	--	(6,160,043)	67,252,097
Capital assets, being depreciated:					
Buildings	10,554,952	20,425	(297,353)	1,889,892	12,167,916
Improvements other than buildings	24,074,474	380,337	--	753,773	25,208,584
Machinery and equipment	11,415,874	1,471,202	(378,923)	66,623	12,574,776
Infrastructure	112,332,202	6,254,975	--	3,449,755	122,036,932
Total capital assets being depreciated	158,377,502	8,126,939	(676,276)	6,160,043	171,988,208
Less accumulated depreciation for:					
Buildings	(2,499,450)	(380,181)	--	--	(2,879,631)
Improvements other than buildings	(2,248,033)	(1,338,283)	--	--	(3,586,316)
Machinery and equipment	(6,381,705)	(1,308,677)	378,923	--	(7,311,459)
Infrastructure	(38,748,020)	(3,887,006)	--	--	(42,635,026)
Total accumulated depreciation	(49,877,208)	(6,914,147)	378,923	--	(56,412,432)
Total capital assets being depreciated, net	108,500,294	1,212,792	(297,353)	--	115,575,776
Governmental activities capital assets, net	\$159,028,553	\$24,096,673	(\$297,353)	\$ --	\$182,827,873

**CITY OF ROCKWALL, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended September 30, 2009

	Balance 9/30/08	Additions	Retirements	Completed Construction	Balance 9/30/09
<b>BUSINESS-TYPE ACTIVITIES:</b>					
Capital assets, not being depreciated:					
Land	\$799,533	--	--	--	\$799,533
Construction in progress	9,153,065	6,189,972	--	(2,421,990)	12,921,047
Total capital assets not being depreciated	9,952,598	6,189,972	--	(2,421,990)	13,720,580
Capital assets, being depreciated:					
Buildings	198,109	--	--	--	198,109
Improvements other than buildings	68,973,183	3,029,158	--	2,421,990	74,424,331
Sewage treatment plants and pump station	12,516,072	--	--	--	12,516,072
Machinery and equipment	3,917,212	155,650	--	--	4,072,862
Total capital assets being depreciated	85,604,576	3,184,808	--	2,421,990	91,211,374
Less accumulated depreciation for:					
Buildings	(97,572)	(5,435)	--	--	(103,007)
Improvements other than buildings	(12,314,112)	(1,424,752)	--	--	(13,738,864)
Sewage treatment plants and pump station	(4,164,786)	(248,847)	--	--	(4,413,633)
Machinery and equipment	(3,303,467)	(61,395)	--	--	(3,364,862)
Total accumulated depreciation	(19,879,937)	(1,740,429)	--	--	(21,620,366)
Capital assets being depreciated, net	65,724,639	1,444,379	--	--	69,591,008
Business type activities capital assets, net	\$75,677,237	\$7,634,351	\$ --	\$ --	\$83,311,588

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

Governmental activities:

Administration	570,430
Finance	120,897
Municipal court	16,020
Police	398,203
Fire	476,405
Public works	4,006,292
Community development	84,503
Parks and recreation	1,241,397
Total depreciation expense - governmental activities	<u>\$6,914,147</u>

Business-type activities:

Water and sewer	<u>\$1,740,429</u>
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**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2009

Construction commitments

The City has active construction projects as of September 30, 2009. The projects include street construction, parking improvements, water system improvements, and sewer system improvements.

Project	Spent to Date	Remaining Commitment
Street improvements	\$8,532,052	\$126,265
Parking improvements	131,769	51,714
Drainage improvements	36,760	233,725
Water system improvements	7,996,733	239,917
Sewer system improvements	136,678	1,657,528
	<u>\$16,833,992</u>	<u>\$2,309,149</u>

The street improvements and parking improvements are being financed by bond proceeds. The commitment for water system improvements and sewer system improvements are being financed by bond proceeds.

Discretely presented component units - Rockwall Economic Development Corporation:

	Balance 9/30/08	Additions	Retirements	Completed Construction	Balance 9/30/09
Capital assets, being depreciated:					
Furniture and fixtures	\$83,946	--	--	--	\$83,946
Total capital assets being depreciated	83,946	--	--	--	83,946
Less accumulated depreciation for:					
Furniture and fixtures	(63,876)	(3,856)	--	--	(67,732)
Total accumulated depreciation	(63,876)	(3,856)	--	--	(67,732)
Total capital assets being depreciated, net	<u>\$20,070</u>	<u>(\$3,856)</u>	<u>--</u>	<u>--</u>	<u>\$16,214</u>

The Rockwall Economic Development Corporation has active construction projects as of September 30, 2009 to improve the industrial park. \$1,499,306 has been spent to date on the project, with a remaining commitment of \$162,415. The project is being funded by contractual obligations.

**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2009

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2009, is as follows:

Fund	Receivable	Payable
General Fund	\$267,728	\$ --
Debt Service	273,712	--
Nonmajor governmental funds	--	324,025
Internal Service Funds	--	217,415
Total Internal Service Funds	541,440	541,440
Totals	\$541,440	\$541,440

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. Also, working capital loans are made to capital projects funds in advance of debt issuances. These are expected to be collected within one year.

The composition of interfund transfers for the year ended September 30, 2009, is as follows:

Fund	Transfer In	Transfer Out
Major Governmental Funds		
General Fund	\$754,800	\$2,486,750
Debt Service Fund	18,762	50,000
205 Bypass Project	3,068,404	13,788
G.O. Bonds Capital Projects	4,297,691	1,073,378
Nonmajor Governmental Funds	525,100	865,050
Water and Sewer Enterprise Fund	34,000	6,235,291
Internal Service Funds	2,025,500	--
Totals	\$10,724,257	\$10,724,257

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.

E. 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.

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2009

General Obligation Debt Outstanding as of September 30, 2009, is as follows:

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 9/30/09
<b>Governmental Activities</b>					
General Obligation Bonds:					
Improvements	2,150,000	2000	2020	5.00%-6.00%	\$100,000
Refunding	4,024,394	2003	2015	2.00%-4.00%	1,809,822
Refunding and Improvements	13,345,000	2005	2025	3.00%-4.50%	12,140,000
Improvements	35,775,000	2006	2036	4.50%-5.50%	33,140,000
Improvements	21,765,000	2007	2037	5.13%-6.13%	20,750,000
Improvements	9,515,000	2008	2028	2.05%-2.50%	9,175,000
Improvements	9,065,000	2009	2029	2.00%-4.60%	9,065,000
<b>Total General Obligation Bonds</b>					<b>86,179,822</b>
Certificates of Obligation Bonds:					
Improvements	6,500,000	2000	2020	4.75%-5.75%	300,000
Improvements	4,295,000	2002	2012	2.80%-3.80%	355,000
Improvements	12,415,000	2005	2025	3.00%-5.00%	11,855,000
Improvements	5,270,000	2006	2026	4.25%-5.00%	4,225,000
Improvements	505,000	2007	2011	4.25%-4.50%	265,000
Improvements	395,000	2008	2028	3.00%-5.00%	300,000
Improvements	5,125,000	2009	2029	2.00%-4.60%	5,125,000
<b>Total Certificates of Obligation</b>					<b>22,425,000</b>
<b>Total Governmental Activities General Obligation Debt</b>					<b>108,604,822</b>
<b>Business-type Activities:</b>					
General Obligation Bonds:					
Refunding	300,606	2003	2015	2.00%-4.00%	135,178
Certificates of Obligation:					
Improvements	10,310,000	2007	2027	4.25%-4.50%	9,605,000
Improvements	16,895,000	2008	2028	3.00%-5.00%	16,285,000
<b>Total Certificates of obligation</b>					<b>25,890,000</b>
<b>Total business-type general obligation debt</b>					<b>26,025,178</b>
<b>Total General Debt</b>					<b>\$134,630,000</b>



**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2009

Annual debt service requirements to maturity for general debt:

Year	Governmental Activities		Business Type Activities		Total
	Principal	Interest	Principal	Interest	
2010	\$4,458,038	\$4,766,487	\$906,962	\$1,125,337	\$11,256,824
2011	4,748,038	4,603,526	951,962	1,094,412	11,397,938
2012	5,218,038	4,417,033	991,962	1,061,949	11,688,982
2013	5,218,038	4,206,821	1,041,962	1,028,099	11,494,920
2014	5,428,038	4,000,284	1,091,962	990,949	11,511,233
2015-2019	27,184,632	16,628,935	6,210,368	4,284,728	54,308,663
2020-2024	25,670,000	9,757,508	7,855,000	2,804,793	46,087,301
2025-2029	17,490,000	5,074,200	6,975,000	789,420	30,328,620
2030-2034	8,325,000	2,338,351	--	--	10,663,351
2035-2037	4,865,000	410,213	--	--	5,275,213
Total	<u>\$108,604,822</u>	<u>\$56,203,358</u>	<u>\$26,025,178</u>	<u>\$13,179,687</u>	<u>\$204,013,045</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:

Purpose	Original Amount	Year Issue	Final Maturity	Interest Rate	Balance 9/30/09
Revenue Bonds					
Improvements	\$3,535,000	1999	2019	4.15%-5.00%	\$1,405,000
Improvements	6,700,000	2002	2022	4.00%-4.90%	5,040,000
Refunding and improvements	6,415,000	2005	2025	3.00%-4.50%	5,225,000
Total Revenue Bonds					11,670,000
Plus unamortized premium					14,464
Less unamortized discount on bonds					(64,853)
Total Revenue Bonds					<u>\$11,619,611</u>

**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2009

Revenue bond debt service requirements to maturity are as follows:

Year	Water and Sewer Fund		
	Principal	Interest	Total
2010	\$895,000	\$507,658	\$1,402,658
2011	740,000	471,228	1,211,228
2012	770,000	440,817	1,210,817
2013	795,000	407,986	1,202,986
2014	830,000	374,474	1,204,474
2015-2019	4,085,000	1,360,830	5,445,830
2020-2024	3,165,000	458,558	3,623,558
2025	390,000	17,550	407,550
Total	11,670,000	\$ 4,039,101	\$15,709,101
Unamortized Premium	14,464		
Unamortized Discount	(64,853)		
Total Revenue bonds	\$11,619,611		

**Refunded Bonds**

In previous years, the City purchased U.S. government securities that were placed in irrevocable trusts with escrow agents to provide for all future debt service payments on certain bonds. As a result, these bonds are considered to be defeased and the liability for these bonds has been removed from the City's statement of net assets. The outstanding balances of refunded bonds at September 30, 2009, are as follows:

Bond Type	Year of Issue	Year Refunded	Balance 9/30/09
General obligation	2000	2005	\$1,395,000
Certificates of obligation	2000	2005	4,235,000
General obligation	1999	2009	4,595,000
Contractual obligation	1999	2009	210,000
			<u>\$10,435,000</u>

**Capitalized Lease Obligations**

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, 2009

Capitalized lease obligations outstanding at September 30, 2009 are as follows:

Purpose	Original Amount	Year Issue	Final Maturity	Interest Rate	Balance 9/30/09
Capital Leases					
South Plant Improvements	\$1,800,000	1996	2016	various	\$865,000
Ground Storage Facility	2,013,434	2005	2025	various	1,736,754
Pump Station	2,145,000	2006	2026	various	1,955,000
Buffalo Creek Plant	2,960,000	2008	2028	various	2,875,000
Total Capitalized Lease Obligations					<u>\$7,431,754</u>

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

Year	Total
2010	\$711,141
2011	713,791
2012	715,125
2013	720,501
2014	714,226
2015-2019	3,122,039
2020-2024	2,855,560
2025-2026	<u>996,667</u>
Total payments	10,549,050
Less imputed interest	<u>(3,117,296)</u>
Total Capital Lease Obligations	<u>\$7,431,754</u>

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2009

**CHANGES IN LONG-TERM LIABILITIES**

During the year ended September 30, 2009, the following changes occurred in liabilities reported in the capital long-term debt:

	Balance 9/30/08	Additions	Retirements	Balance 9/30/09	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$74,925,362	\$18,580,000	(\$7,325,540)	\$86,179,822	\$2,908,038
Contractual obligations	245,000	--	(245,000)	--	--
Certificates of obligation	18,810,000	5,520,000	(1,905,000)	22,425,000	1,550,000
Deferred amounts:					
Unamortized premium (discount)	1,501,918	446,240	(82,517)	1,865,641	82,517
On refunding	--	24,955	(1,248)	23,707	1,248
Total bonds payable	95,482,280	24,571,195	(9,559,305)	110,494,170	4,541,803
Compensated absences	959,869	1,032,706	(951,966)	1,040,609	190,936
Governmental activity Long-Term Liabilities	<u>\$96,442,149</u>	<u>\$25,603,901</u>	<u>(\$10,511,27)</u>	<u>\$111,534,77</u>	<u>\$4,732,739</u>
<b>Business-type activities:</b>					
General obligation bonds	\$10,089,638	\$16,895,000	(\$959,460)	\$26,025,178	\$906,962
Revenue bonds	12,530,000	--	(860,000)	11,670,000	895,000
Less deferred premium (discount)	(24,638)	84,475	(13,096)	46,741	2,639
Total bonds payable	22,595,000	16,979,475	(1,832,556)	37,741,919	1,804,601
Capital lease obligations	4,805,094	2,960,000	(333,340)	7,431,754	351,671
Compensated absences	70,145	172,873	(151,287)	91,731	25,675
Business-type activities Long-Term Liabilities	<u>\$27,470,239</u>	<u>\$20,112,348</u>	<u>(\$2,317,183)</u>	<u>\$45,265,404</u>	<u>\$2,181,947</u>

For the governmental activities, claims and judgements and compensated absences are generally liquidated by the general fund. The government-wide statement of activities includes \$895,000 of revenue bonds and \$351,671 of capital leases due within one year for business-type activities in "liabilities payable from restricted assets" on that same statement.

**Conduit Debt Obligations**

Certain revenue bonds have been issued in the past to provide financial assistance to private-sector and nonprofit entities for the acquisition and construction of industrial and housing facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2009, there was one series of revenue bonds outstanding. The aggregate principal amount

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2009

payable for the issue was \$1,700,000.

Authorized and Unissued Debt

The following tables detail the status of all authorized general obligation and revenue bonded debt as of September 30, 2009:

Year Authorized	General Obligation Bonds		Balance
	Amount Authorized	Amount Issued	Unissued 9/30/09
1985	\$1,500,000	(\$600,000)	\$900,000
1994	4,100,000	(3,600,000)	500,000
2002	19,845,000	(19,540,000)	305,000
2005	63,705,000	(56,985,000)	6,720,000
	<u>\$89,150,000</u>	<u>(\$80,725,000)</u>	<u>\$8,425,000</u>

Year Authorized	Revenue Bonds		Balance
	Amount Authorized	Amount Issued	Unissued 9/30/09
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:

\$5,000,000 Sales Tax Revenue Bonds, series 1999, payable in annual installments through August 1, 2019, interest payable at 4.20% to 6.20%	\$3,195,000
\$4,545,000 Sales Tax Revenue Bonds, series 2008, payable in annual installments through August 1, 2028, interest payable at 7.00%	<u>4,400,000</u>
Total Sales Tax Revenue Bonds	<u>7,595,000</u>
\$3,225,000 Certificates of Obligation, series 2005, payable in annual installments through August 1, 2025, interest payable at 3.00% to 5.00%	2,100,000
\$5,540,000 Certificates of Obligation, series 2006, payable in annual installments through August 1, 2025, interest payable at 4.25% to 5.00%	4,995,000
\$6,130,000 Certificates of Obligation, series 2008, payable in annual installments through August 1, 2028, interest payable at 3.00% to 5.00%	<u>5,910,000</u>
Total Certificates of Obligation	<u>13,005,000</u>
Total	<u>\$20,600,000</u>

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2009

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

Year	Governmental Activities		Total
	Principal	Interest	
2010	\$1,085,000	\$1,031,794	\$2,116,794
2011	1,135,000	985,269	2,120,269
2012	1,185,000	935,657	2,120,657
2013	1,245,000	881,319	2,126,319
2014	1,315,000	823,569	2,138,569
2015-2019	5,875,000	3,232,495	9,107,495
2020-2024	4,790,000	1,899,956	6,689,956
2025-2028	3,970,000	527,522	4,497,522
<b>Total</b>	<b>\$20,600,000</b>	<b>\$10,317,581</b>	<b>\$30,917,581</b>

During the year ended September 30, 2009, the following changes occurred in liabilities reported in the capital long-term debt:

	Balance 9/30/08	Additions	Retirements	Balance 9/30/09	Due Within One Year
<b>Governmental activities:</b>					
Sales tax revenue bonds	\$7,980,000	\$ --	(\$385,000)	\$7,595,000	\$375,000
Certificates of obligation	7,585,000	6,130,000	(710,000)	13,005,000	710,000
Unamortized premium (discount)	163,550	30,650	(19,674)	174,526	10,602
Total bonds payable	15,728,550	6,160,650	(1,114,674)	20,774,526	1,095,602
Compensated absences	17,449	22,003	(19,068)	20,384	11,328
<b>Total</b>	<b>\$15,745,999</b>	<b>\$6,182,653</b>	<b>(\$1,133,742)</b>	<b>\$20,794,910</b>	<b>\$1,106,930</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 \$65,000 per covered individual or, approximately \$2,162,253 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, 2009.

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2009

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 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	
	2009	2008	2009	2008
Claims payable beginning of the year	\$176,172	\$147,395	\$10,697	\$2,517
Claims incurred	2,427,029	2,542,806	90,752	104,293
Payment on claims	(2,429,498)	(2,514,029)	(83,995)	(96,113)
	<u>\$173,703</u>	<u>\$176,172</u>	<u>\$17,454</u>	<u>\$10,697</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

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2009

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, 2009, is \$7,431,754. See Note IV E for the annual requirements to amortize the bonds as of September 30, 2009.

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 \$26,025,178 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, 2009, these commitments totaled \$1,521,520.

E. 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.



**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2009

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 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, 2007 valuation is effective for rates beginning January 2009.

Actuarial Assumptions

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Payroll
Remaining Amortization	25 Years - Closed Period
Asset Valuation Method	Amortized Cost

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2009

Investment Rate of Return	7%
Projected Salary Increases	Varies by age and service
Includes Inflation At	3.0%
Cost of Living Adjustments	0.0%

Schedule of Actuarial Liabilities and Funding Progress

Actuarial Valuation Date	<u>12/31/08</u>	<u>12/31/07</u>	<u>12/31/06</u>
Actuarial Value of Asset	\$22,226,74	\$20,486,755	\$17,878,974
Actuarial Accrued Liabilities	\$35,689,69	\$32,796,027	\$23,911,430
Percentage Funded	62.3%	62.5%	74.8%
Unfunded (Over-funded) Actuarial	\$13,462,94	\$12,309,272	\$6,032,456
Annual Covered Payroll	\$13,582,92	\$12,404,225	\$10,942,328
UAAL as a Percentage of Covered Payroll	99.1%	99.2%	55.1%
Net Pension Obligation (NPO)	\$ --	\$ --	\$ --

Fiscal Year Ended September 30,

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Annual Required Contribution (ARC)	\$1,743,863	\$1,561,437	\$1,491,116
Interest on NPO	--	--	--
Adjustment to the ARC	--	--	--
	<u>1,743,863</u>	<u>1,561,347</u>	<u>1,491,116</u>
Contributions Made (100%)	1,743,863	1,561,347	1,491,116
Increase in NPO	--	--	--
NPO at the End of Period	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

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 \$55,300 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 37 active participants currently covered by the Fund and payments are being made to 15 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.

### *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.

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**CITY OF ROCKWALL, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<i>Ad valorem taxes, penalty and interest</i>	\$ 7,120,350	\$ 7,146,000	\$ 7,174,251	\$ 28,251
<i>Sales taxes</i>	9,850,900	10,074,000	9,791,542	(282,458)
<i>Franchise taxes</i>	2,215,000	2,411,000	2,444,296	33,296
<i>Charges for services</i>	307,500	264,000	268,466	4,466
<i>Permits</i>	756,750	944,750	1,005,541	60,791
<i>Municipal court</i>	958,000	1,040,000	1,052,403	12,403
<i>Intergovernmental</i>	353,500	358,150	375,981	17,831
<i>Interest income</i>	210,000	150,000	313,048	163,048
<i>Miscellaneous</i>	78,000	143,000	168,992	25,992
<i>Donations</i>	10,000	10,000	10,000	--
<b>Total revenues</b>	<u>21,860,000</u>	<u>22,540,900</u>	<u>22,604,520</u>	<u>63,620</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<i>Mayor/Council</i>	122,700	111,500	109,845	1,655
<i>Administration</i>	3,074,450	3,078,350	3,069,653	8,697
<i>Finance</i>	1,027,400	1,018,700	998,497	20,203
<i>Municipal court</i>	325,200	321,100	318,467	2,633
<i>Police</i>	7,789,650	7,693,850	7,583,087	110,763
<i>Fire</i>	1,900,200	1,674,800	1,615,570	59,230
<i>Public works</i>	1,631,000	1,597,700	1,528,010	69,690
<i>Community development</i>	1,313,050	1,292,200	1,258,030	34,170
<i>Parks and recreation</i>	4,394,900	4,454,050	4,320,322	133,728
<b>Total current</b>	<u>21,578,550</u>	<u>21,242,250</u>	<u>20,801,481</u>	<u>440,769</u>
<b>Capital outlay:</b>				
<i>Police</i>	20,500	20,500	20,425	75
<i>Public works</i>	800	800	735	65
<i>Parks and recreation</i>	22,550	22,550	20,766	1,784
<b>Total capital outlay</b>	<u>43,850</u>	<u>43,850</u>	<u>41,926</u>	<u>1,924</u>
<b>Total expenditures</b>	<u>21,622,400</u>	<u>21,286,100</u>	<u>20,843,407</u>	<u>442,693</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>237,600</b>	<b>1,254,800</b>	<b>1,761,113</b>	<b>506,313</b>
<b>Other financing sources (uses):</b>				
<i>Transfers in</i>	747,900	754,800	754,800	--
<i>Transfers out</i>	(1,416,150)	(2,567,650)	(2,486,750)	(80,900)
<b>Total other financing sources (uses)</b>	<u>(623,250)</u>	<u>(1,812,850)</u>	<u>(1,731,950)</u>	<u>(80,900)</u>
<b>Net change in fund balances</b>	<b>(385,650)</b>	<b>(558,050)</b>	<b>29,163</b>	<b>587,213</b>
<b>Fund balances, October 1</b>	<b>8,266,814</b>	<b>8,266,814</b>	<b>8,266,814</b>	<b>--</b>
<b>Fund balances, September 30</b>	<b>\$ 7,881,164</b>	<b>\$ 7,708,764</b>	<b>\$ 8,295,977</b>	<b>\$ 587,213</b>

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## 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.

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

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

*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.

*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 BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2009

	Special Revenue Funds	Debt Service Fund Harbor Debt Service	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
<b>ASSETS</b>				
<i>Cash and cash equivalents</i>	\$ 121,554	\$ --	\$ 237,622	\$ 359,176
<i>Investments</i>	2,490,909	--	5,537,641	8,028,550
Receivables (net of allowances for uncollectibles):	--	--	--	--
<i>Accounts receivable</i>	80,292	236,573	450,225	767,090
<i>Assessments receivable</i>	149,589	--	--	149,589
<i>Other receivables</i>	4,670	--	--	4,670
<i>Due from other governments</i>	--	37,080	--	37,080
<b>Total Assets</b>	<b>\$ 2,847,014</b>	<b>\$ 273,653</b>	<b>\$ 6,225,488</b>	<b>\$ 9,346,155</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
<i>Accounts payable and accrued liabilities</i>	\$ 203,299	\$ --	\$ 74,449	\$ 277,748
<i>Deferred revenue</i>	193,797	--	--	193,797
<i>Due to other funds</i>	50,313	273,712	--	324,025
<b>Total Liabilities</b>	<b>447,409</b>	<b>273,712</b>	<b>74,449</b>	<b>795,570</b>
<b>Fund balances (deficits):</b>				
<i>Reserved for:</i>				
<i>Debt service</i>	--	(59)	--	(59)
<i>Unreserved, reported in:</i>				
<i>Special revenue funds</i>	2,399,605	--	--	2,399,605
<i>Capital projects funds</i>	--	--	6,151,039	6,151,039
<b>Total fund balances (deficits)</b>	<b>2,399,605</b>	<b>(59)</b>	<b>6,151,039</b>	<b>8,550,585</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,847,014</b>	<b>\$ 273,653</b>	<b>\$ 6,225,488</b>	<b>\$ 9,346,155</b>

## CITY OF ROCKWALL, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue Funds	Debt Service Fund Harbor Deft Service	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
<b>Revenues:</b>				
<i>Ad valorem taxes, penalty and interest</i>	\$ --	\$ 534,661	\$ --	\$ 534,661
<i>Sales taxes</i>	208,038	264,821	--	472,859
<i>Charges for services</i>	469,680	--	--	469,680
<i>Municipal court</i>	4,501	--	--	4,501
<i>Intergovernmental</i>	39,566	--	13,200	52,766
<i>Interest income</i>	15,473	--	3,884	19,357
<i>Miscellaneous</i>	106,438	--	458,481	564,919
<i>Donations</i>	46,834	--	1,800,000	1,846,834
<b>Total revenues</b>	<b>890,530</b>	<b>799,482</b>	<b>2,275,565</b>	<b>3,965,577</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<i>Administration</i>	210,676	--	78,376	289,052
<i>Finance</i>	267,939	--	--	267,939
<i>Police</i>	192,535	--	--	192,535
<i>Fire</i>	2,989	--	--	2,989
<i>Parks and recreation</i>	173,202	--	--	173,202
<b>Total current</b>	<b>847,341</b>	<b>--</b>	<b>78,376</b>	<b>925,717</b>
<b>Capital outlay:</b>				
<i>Administration</i>	142,716	--	118,287	261,003
<i>Finance</i>	--	--	78,866	78,866
<i>Police</i>	63,901	--	174,297	238,198
<i>Fire</i>	114,800	--	1,220,786	1,335,586
<i>Public works</i>	--	--	90,063	90,063
<i>Parks and recreation</i>	113,491	--	--	113,491
<b>Total capital outlay</b>	<b>434,908</b>	<b>--</b>	<b>1,682,299</b>	<b>2,117,207</b>
<b>Debt service:</b>				
<i>Principal</i>	--	240,000	--	240,000
<i>Interest</i>	--	653,993	--	653,993
<i>Bond issuance cost</i>	--	--	47,176	47,176
<b>Total debt service:</b>	<b>--</b>	<b>893,993</b>	<b>47,176</b>	<b>941,169</b>
<b>Total expenditures</b>	<b>1,282,249</b>	<b>893,993</b>	<b>1,807,851</b>	<b>3,984,093</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(391,719)</b>	<b>(94,511)</b>	<b>467,714</b>	<b>(18,516)</b>
<b>Other financing sources (uses):</b>				
<i>Transfers in</i>	161,750	50,000	313,350	525,100
<i>Transfers out</i>	(515,700)	--	(349,350)	(865,050)
<i>Proceeds of long-term debt</i>	--	--	5,520,000	5,520,000
<i>Premium on bonds issued</i>	--	--	73,591	73,591
<i>Discount on bonds issued</i>	--	--	(40,774)	(40,774)
<b>Total other financing sources (uses)</b>	<b>(353,950)</b>	<b>50,000</b>	<b>5,516,817</b>	<b>5,212,867</b>
<b>Net change in fund balances</b>	<b>(745,669)</b>	<b>(44,511)</b>	<b>5,984,531</b>	<b>5,194,351</b>
<b>Fund balances, October 1</b>	<b>3,145,274</b>	<b>44,452</b>	<b>166,508</b>	<b>3,356,234</b>
<b>Fund balances (deficits), September 30</b>	<b>\$ 2,399,605</b>	<b>\$ (59)</b>	<b>\$ 6,151,039</b>	<b>\$ 8,550,585</b>

**CITY OF ROCKWALL, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2009**

	Cemetery	Police Investigation	Recreational Development	Radio System
<b>ASSETS</b>				
<i>Cash and cash equivalents</i>	\$ 1,146	\$ 1,365	\$ 2,226	\$ 450
<i>Investments</i>	137,949	214,756	195,042	20,000
Receivables (net of allowances for uncollectibles):	--	--	--	--
<i>Accounts receivable</i>	--	24,545	--	--
<i>Assessments receivable</i>	--	--	--	--
<i>Other receivables</i>	--	--	--	--
<b>Total Assets</b>	<b>\$ 139,095</b>	<b>\$ 240,666</b>	<b>\$ 197,268</b>	<b>\$ 20,450</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
<i>Accounts payable and accrued liabilities</i>	\$ --	\$ 26,278	\$ 40,681	\$ 126
<i>Deferred revenue</i>	--	--	--	--
<i>Due to other funds</i>	--	--	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>26,278</b>	<b>40,681</b>	<b>126</b>
<b>Fund balances:</b>				
<i>Unreserved</i>	139,095	214,388	156,587	20,324
<b>Total fund balances</b>	<b>139,095</b>	<b>214,388</b>	<b>156,587</b>	<b>20,324</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 139,095</b>	<b>\$ 240,666</b>	<b>\$ 197,268</b>	<b>\$ 20,450</b>

Street Improvements	Hotel Motel Tax	Fire Equipment	Aviation	Recycling
\$ 74,069	\$ --	\$ 4,531	\$ 16,776	\$ 2,406
1,403,630	1,912	171,059	36,999	33,140
--	--	--	--	--
--	55,747	--	--	--
149,589	--	--	--	--
--	--	--	--	4,670
<u>\$ 1,627,288</u>	<u>\$ 57,659</u>	<u>\$ 175,590</u>	<u>\$ 53,775</u>	<u>\$ 40,216</u>
\$ 131,019	\$ --	\$ --	\$ --	\$ --
149,589	--	--	--	--
--	50,313	--	--	--
<u>280,608</u>	<u>50,313</u>	<u>--</u>	<u>--</u>	<u>--</u>
1,346,680	7,346	175,590	53,775	40,216
<u>1,346,680</u>	<u>7,346</u>	<u>175,590</u>	<u>53,775</u>	<u>40,216</u>
<u>\$ 1,627,288</u>	<u>\$ 57,659</u>	<u>\$ 175,590</u>	<u>\$ 53,775</u>	<u>\$ 40,216</u>

**CITY OF ROCKWALL, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2009

	Emergency Siren	Downtown Improvement
<b>ASSETS</b>		
<i>Cash and cash equivalents</i>	\$ 8,641	\$ 7,380
<i>Investments</i>	14,999	13,168
Receivables (net of allowances for uncollectibles):	--	--
<i>Accounts receivable</i>	--	--
<i>Assessments receivable</i>	--	--
<i>Other receivables</i>	--	--
<b>Total Assets</b>	<u>\$ 23,640</u>	<u>\$ 20,548</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
<i>Accounts payable and accrued liabilities</i>	\$ --	\$ --
<i>Deferred revenue</i>	--	--
<i>Due to other funds</i>	--	--
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>
Fund balances:		
<i>Unreserved</i>	23,640	20,548
<b>Total fund balances</b>	<u>23,640</u>	<u>20,548</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 23,640</u>	<u>\$ 20,548</u>

Art in Public Places	Special Crimes Unit	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 985	\$ 1,579	\$ 121,554
--	248,255	2,490,909
--	--	--
--	--	80,292
--	--	149,589
--	--	4,670
<u>\$ 985</u>	<u>\$ 249,834</u>	<u>\$ 2,847,014</u>
\$ --	\$ 5,195	\$ 203,299
--	44,208	193,797
--	--	50,313
<u>--</u>	<u>49,403</u>	<u>447,409</u>
985	200,431	2,399,605
<u>985</u>	<u>200,431</u>	<u>2,399,605</u>
<u>\$ 985</u>	<u>\$ 249,834</u>	<u>\$ 2,847,014</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, 2009

	Cemetery	Police Investigation	Recreational Development	Radio System
<b>Revenues:</b>				
<i>Sales taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>Charges for services</i>	375	86,801	287,591	--
<i>Municipal court</i>	--	4,501	--	--
<i>Intergovernmental</i>	--	39,566	--	--
<i>Interest income</i>	687	1,368	1,215	--
<i>Miscellaneous</i>	--	--	1,192	--
<i>Donations</i>	--	12,256	1,333	33,134
<b>Total revenues</b>	<u>1,062</u>	<u>144,492</u>	<u>291,331</u>	<u>33,134</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<i>Administration</i>	--	--	--	157,556
<i>Finance</i>	--	--	--	--
<i>Police</i>	--	38,018	--	--
<i>Fire</i>	--	--	--	--
<i>Parks and recreation</i>	800	--	172,402	--
<b>Total current</b>	<u>800</u>	<u>38,018</u>	<u>172,402</u>	<u>157,556</u>
<b>Capital outlay:</b>				
<i>Administration</i>	--	--	--	--
<i>Police</i>	--	63,901	--	--
<i>Fire</i>	--	--	--	--
<i>Parks and recreation</i>	--	--	113,491	--
<b>Total capital outlay</b>	<u>--</u>	<u>63,901</u>	<u>113,491</u>	<u>--</u>
<b>Total expenditures</b>	<u>800</u>	<u>101,919</u>	<u>285,893</u>	<u>157,556</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	262	42,573	5,438	(124,422)
<b>Other financing sources (uses):</b>				
<i>Transfers in</i>	--	--	--	120,000
<i>Transfers out</i>	--	(115,200)	(50,000)	--
<b>Total other financing sources (uses)</b>	<u>--</u>	<u>(115,200)</u>	<u>(50,000)</u>	<u>120,000</u>
<b>Net change in fund balances</b>	262	(72,627)	(44,562)	(4,422)
<b>Fund balances, October 1</b>	138,833	287,015	201,149	24,746
<b>Fund balances, September 30</b>	<u>\$ 139,095</u>	<u>\$ 214,388</u>	<u>\$ 156,587</u>	<u>\$ 20,324</u>



Street Improvements	Hotel Motel Tax	Fire Equipment	Aviation	Recycling
\$ --	\$ 208,038	\$ --	\$ --	\$ --
--	--	93,600	--	--
--	--	--	--	--
--	--	--	--	--
8,729	10	1,140	184	264
23,684	--	3,334	10,437	26,460
--	--	--	--	--
<u>32,413</u>	<u>208,048</u>	<u>98,074</u>	<u>10,621</u>	<u>26,724</u>
27,881	--	--	10,184	15,055
--	267,939	--	--	--
--	--	--	--	--
--	--	2,989	--	--
--	--	--	--	--
<u>27,881</u>	<u>267,939</u>	<u>2,989</u>	<u>10,184</u>	<u>15,055</u>
142,716	--	--	--	--
--	--	--	--	--
--	--	114,800	--	--
--	--	--	--	--
<u>142,716</u>	<u>--</u>	<u>114,800</u>	<u>--</u>	<u>--</u>
<u>170,597</u>	<u>267,939</u>	<u>117,789</u>	<u>10,184</u>	<u>15,055</u>
(138,184)	(59,891)	(19,715)	437	11,669
31,750	--	--	10,000	--
(306,500)	--	(10,000)	--	(34,000)
<u>(274,750)</u>	<u>--</u>	<u>(10,000)</u>	<u>10,000</u>	<u>(34,000)</u>
(412,934)	(59,891)	(29,715)	10,437	(22,331)
1,759,614	67,237	205,305	43,338	62,547
<u>\$ 1,346,680</u>	<u>\$ 7,346</u>	<u>\$ 175,590</u>	<u>\$ 53,775</u>	<u>\$ 40,216</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, 2009

	Emergency Siren	Downtown Improvement
Revenues:		
<i>Sales taxes</i>	\$ --	\$ --
<i>Charges for services</i>	1,313	--
<i>Municipal court</i>	--	--
<i>Intergovernmental</i>	--	--
<i>Interest income</i>	75	66
<i>Miscellaneous</i>	--	--
<i>Donations</i>	--	--
Total revenues	<u>1,388</u>	<u>66</u>
Expenditures:		
Current:		
<i>Administration</i>	--	--
<i>Finance</i>	--	--
<i>Police</i>	--	--
<i>Fire</i>	--	--
<i>Parks and recreation</i>	--	--
Total current	<u>--</u>	<u>--</u>
Capital outlay:		
<i>Administration</i>	--	--
<i>Police</i>	--	--
<i>Fire</i>	--	--
<i>Parks and recreation</i>	--	--
Total capital outlay	<u>--</u>	<u>--</u>
Total expenditures	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	1,388	66
Other financing sources (uses):		
<i>Transfers in</i>	--	--
<i>Transfers out</i>	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>
Net change in fund balances	1,388	66
Fund balances, October 1	22,252	20,482
Fund balances, September 30	<u>\$ 23,640</u>	<u>\$ 20,548</u>

Art in Public Places	Special Crime Unit	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ 208,038
--	--	469,680
--	--	4,501
--	--	39,566
--	1,735	15,473
--	41,331	106,438
111	--	46,834
<u>111</u>	<u>43,066</u>	<u>890,530</u>
--	--	210,676
--	--	267,939
--	154,517	192,535
--	--	2,989
--	--	173,202
<u>--</u>	<u>154,517</u>	<u>847,341</u>
--	--	142,716
--	--	63,901
--	--	114,800
<u>--</u>	<u>--</u>	<u>113,491</u>
<u>--</u>	<u>--</u>	<u>434,908</u>
--	154,517	1,282,249
111	(111,451)	(391,719)
--	--	161,750
<u>--</u>	<u>--</u>	<u>(515,700)</u>
<u>--</u>	<u>--</u>	<u>(353,950)</u>
111	(111,451)	(745,669)
874	311,882	3,145,274
<u>\$ 985</u>	<u>\$ 200,431</u>	<u>\$ 2,399,605</u>

**CITY OF ROCKWALL, TEXAS**  
**CEMETERY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

EXHIBIT C-5

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 3,700	\$ 375	\$ (3,325)
<i>Interest income</i>	900	687	(213)
Total revenues	<u>4,600</u>	<u>1,062</u>	<u>(3,538)</u>
Expenditures:			
Current:			
<i>Parks and recreation</i>	--	800	(800)
Total current	<u>--</u>	<u>800</u>	<u>(800)</u>
Total expenditures	<u>--</u>	<u>800</u>	<u>(800)</u>
Net change in fund balances	4,600	262	(4,338)
Fund balances, October 1	138,833	138,833	--
Fund balances, September 30	<u>\$ 143,433</u>	<u>\$ 139,095</u>	<u>\$ (4,338)</u>

**CITY OF ROCKWALL, TEXAS**  
POLICE INVESTIGATION FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT C-6

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 85,450	\$ 86,801	\$ 1,351
<i>Municipal court</i>	3,700	4,501	801
<i>Intergovernmental</i>	39,700	39,566	(134)
<i>Interest income</i>	2,000	1,368	(632)
<i>Donations</i>	9,450	12,256	2,806
Total revenues	<u>140,300</u>	<u>144,492</u>	<u>4,192</u>
Expenditures:			
Current:			
<i>Police</i>	39,800	38,018	1,782
Total current	<u>39,800</u>	<u>38,018</u>	<u>1,782</u>
Capital outlay:			
<i>Police</i>	69,050	63,901	5,149
Total capital outlay	<u>69,050</u>	<u>63,901</u>	<u>5,149</u>
Total expenditures	<u>108,850</u>	<u>101,919</u>	<u>6,931</u>
Excess (deficiency) of revenues over (under) expenditures	31,450	42,573	11,123
Other financing sources (uses):			
<i>Transfers out</i>	(115,200)	(115,200)	--
Total other financing sources (uses)	<u>(115,200)</u>	<u>(115,200)</u>	<u>--</u>
Net change in fund balances	(83,750)	(72,627)	11,123
Fund balances, October 1	287,015	287,015	--
Fund balances, September 30	<u>\$ 203,265</u>	<u>\$ 214,388</u>	<u>\$ 11,123</u>

**CITY OF ROCKWALL, TEXAS**  
 RECREATIONAL DEVELOPMENT FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT C-7

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 288,300	\$ 287,591	\$ (709)
<i>Interest income</i>	1,600	1,215	(385)
<i>Miscellaneous</i>	--	1,192	1,192
<i>Donations</i>	--	1,333	1,333
Total revenues	<u>289,900</u>	<u>291,331</u>	<u>1,431</u>
Expenditures:			
Current:			
<i>Parks and recreation</i>	196,000	172,402	23,598
Total current	<u>196,000</u>	<u>172,402</u>	<u>23,598</u>
Capital outlay:			
<i>Parks and recreation</i>	116,000	113,491	2,509
Total capital outlay	<u>116,000</u>	<u>113,491</u>	<u>2,509</u>
Total expenditures	<u>312,000</u>	<u>285,893</u>	<u>26,107</u>
Excess (deficiency) of revenues over (under) expenditures	(22,100)	5,438	27,538
Other financing sources (uses):			
<i>Transfers out</i>	(50,000)	(50,000)	--
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>--</u>
Net change in fund balances	(72,100)	(44,562)	27,538
Fund balances, October 1	201,149	201,149	--
Fund balances, September 30	<u>\$ 129,049</u>	<u>\$ 156,587</u>	<u>\$ 27,538</u>

**CITY OF ROCKWALL, TEXAS**  
*RADIO SYSTEM*  
*SPECIAL REVENUE FUND*  
*BUDGETARY COMPARISON SCHEDULE*  
*FOR THE YEAR ENDED SEPTEMBER 30, 2009*

EXHIBIT C-8

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Donations</i>	\$ 33,100	\$ 33,134	\$ 34
Total revenues	<u>33,100</u>	<u>33,134</u>	<u>34</u>
Expenditures:			
Current:			
<i>Administration</i>	163,150	157,556	5,594
Total current	<u>163,150</u>	<u>157,556</u>	<u>5,594</u>
Total expenditures	<u>163,150</u>	<u>157,556</u>	<u>5,594</u>
Excess (deficiency) of revenues over (under) expenditures	(130,050)	(124,422)	5,628
Other financing sources (uses):			
<i>Transfers in</i>	120,000	120,000	--
Total other financing sources (uses)	<u>120,000</u>	<u>120,000</u>	<u>--</u>
Net change in fund balances	(10,050)	(4,422)	5,628
Fund balances, October 1	24,746	24,746	--
Fund balances, September 30	<u>\$ 14,696</u>	<u>\$ 20,324</u>	<u>\$ 5,628</u>

**CITY OF ROCKWALL, TEXAS**  
**STREET IMPROVEMENTS FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

EXHIBIT C-9

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Interest income</i>	\$ 11,000	\$ 8,729	\$ (2,271)
<i>Miscellaneous</i>	24,050	23,684	(366)
Total revenues	<u>35,050</u>	<u>32,413</u>	<u>(2,637)</u>
Expenditures:			
Current:			
<i>Administration</i>	36,500	27,881	8,619
Total current	<u>36,500</u>	<u>27,881</u>	<u>8,619</u>
Capital outlay:			
<i>Administration</i>	330,800	142,716	188,084
Total capital outlay	<u>330,800</u>	<u>142,716</u>	<u>188,084</u>
Total expenditures	<u>367,300</u>	<u>170,597</u>	<u>196,703</u>
Excess (deficiency) of revenues over (under) expenditures	(332,250)	(138,184)	194,066
Other financing sources (uses):			
<i>Transfers in</i>	31,750	31,750	--
<i>Transfers out</i>	--	(306,500)	306,500
Total other financing sources (uses)	<u>31,750</u>	<u>(274,750)</u>	<u>306,500</u>
Net change in fund balances	(300,500)	(412,934)	(112,434)
Fund balances, October 1	1,759,614	1,759,614	--
Fund balances, September 30	<u>\$ 1,459,114</u>	<u>\$ 1,346,680</u>	<u>\$ (112,434)</u>



**CITY OF ROCKWALL, TEXAS**  
HOTEL MOTEL TAX  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT C-10

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Sales taxes</i>	\$ 259,000	\$ 208,038	\$ (50,962)
<i>Interest income</i>	1,000	10	(990)
Total revenues	<u>260,000</u>	<u>208,048</u>	<u>(51,952)</u>
Expenditures:			
Current:			
<i>Finance</i>	270,880	267,939	2,941
Total current	<u>270,880</u>	<u>267,939</u>	<u>2,941</u>
Total expenditures	<u>270,880</u>	<u>267,939</u>	<u>2,941</u>
Net change in fund balances	(10,880)	(59,891)	(49,011)
Fund balances, October 1	67,237	67,237	--
Fund balances, September 30	<u>\$ 56,357</u>	<u>\$ 7,346</u>	<u>\$ (49,011)</u>

**CITY OF ROCKWALL, TEXAS**  
 FIRE EQUIPMENT FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT C-11

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 93,600	\$ 93,600	\$ --
Interest income	1,500	1,140	(360)
Miscellaneous	3,300	3,334	34
Donations	250	--	(250)
Total revenues	<u>98,650</u>	<u>98,074</u>	<u>(576)</u>
Expenditures:			
Current:			
Fire	11,000	2,989	8,011
Total current	<u>11,000</u>	<u>2,989</u>	<u>8,011</u>
Capital outlay:			
Fire	146,900	114,800	32,100
Total capital outlay	<u>146,900</u>	<u>114,800</u>	<u>32,100</u>
Total expenditures	<u>157,900</u>	<u>117,789</u>	<u>40,111</u>
Excess (deficiency) of revenues over (under) expenditures	(59,250)	(19,715)	39,535
Other financing sources (uses):			
Transfers out	(10,000)	(10,000)	--
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>--</u>
Net change in fund balances	(69,250)	(29,715)	39,535
Fund balances, October 1	205,305	205,305	--
Fund balances, September 30	<u>\$ 136,055</u>	<u>\$ 175,590</u>	<u>\$ 39,535</u>

**CITY OF ROCKWALL, TEXAS**  
 AVIATION FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT C-12

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Intergovernmental</i>	\$ 900	\$ --	\$ (900)
<i>Interest income</i>	250	184	(66)
<i>Miscellaneous</i>	11,200	10,437	(763)
Total revenues	<u>12,350</u>	<u>10,621</u>	<u>(1,729)</u>
Expenditures:			
Current:			
<i>Administration</i>	13,600	10,184	3,416
Total current	<u>13,600</u>	<u>10,184</u>	<u>3,416</u>
Total expenditures	<u>13,600</u>	<u>10,184</u>	<u>3,416</u>
Excess (deficiency) of revenues over (under) expenditures	(1,250)	437	1,687
Other financing sources (uses):			
<i>Transfers in</i>	10,000	10,000	--
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>--</u>
Net change in fund balances	8,750	10,437	1,687
Fund balances, October 1	43,338	43,338	--
Fund balances, September 30	<u>\$ 52,088</u>	<u>\$ 53,775</u>	<u>\$ 1,687</u>

**CITY OF ROCKWALL, TEXAS**  
 RECYCLING FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT C-13

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Interest income	\$ 350	\$ 264	\$ (86)
Miscellaneous	25,000	26,460	1,460
Total revenues	<u>25,350</u>	<u>26,724</u>	<u>1,374</u>
Expenditures:			
Current:			
Administration	15,100	15,055	45
Total current	<u>15,100</u>	<u>15,055</u>	<u>45</u>
Total expenditures	<u>15,100</u>	<u>15,055</u>	<u>45</u>
Excess (deficiency) of revenues over (under) expenditures	10,250	11,669	1,419
Other financing sources (uses):			
Transfers out	(34,000)	(34,000)	--
Total other financing sources (uses)	<u>(34,000)</u>	<u>(34,000)</u>	<u>--</u>
Net change in fund balances	(23,750)	(22,331)	1,419
Fund balances, October 1	62,547	62,547	--
Fund balances, September 30	<u>\$ 38,797</u>	<u>\$ 40,216</u>	<u>\$ 1,419</u>

**CITY OF ROCKWALL, TEXAS**  
*SPECIAL CRIMES UNIT*  
*SPECIAL REVENUE FUND*  
*BUDGETARY COMPARISON SCHEDULE*  
*FOR THE YEAR ENDED SEPTEMBER 30, 2009*

EXHIBIT C-14

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Interest income</i>	\$ 250	\$ 1,735	\$ 1,485
<i>Miscellaneous</i>	29,800	41,331	11,531
Total revenues	<u>30,050</u>	<u>43,066</u>	<u>13,016</u>
Expenditures:			
Current:			
<i>Police</i>	175,300	154,517	20,783
Total current	<u>175,300</u>	<u>154,517</u>	<u>20,783</u>
Capital outlay:			
<i>Police</i>	3,300	--	3,300
Total capital outlay	<u>3,300</u>	<u>--</u>	<u>3,300</u>
Total expenditures	<u>178,600</u>	<u>154,517</u>	<u>24,083</u>
Net change in fund balances	(148,550)	(111,451)	37,099
Fund balances, October 1	311,882	311,882	--
Fund balances, September 30	<u>\$ 163,332</u>	<u>\$ 200,431</u>	<u>\$ 37,099</u>

**CITY OF ROCKWALL, TEXAS**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

EXHIBIT C-15

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Ad valorem taxes, penalty and interest</i>	\$ 8,654,200	\$ 8,698,663	\$ 44,463
<i>Interest income</i>	10,000	9,246	(754)
<i>Miscellaneous</i>	60,000	118,248	58,248
Total revenues	<u>8,724,200</u>	<u>8,826,157</u>	<u>101,957</u>
Expenditures:			
Debt service:			
<i>Principal</i>	4,430,550	4,430,540	10
<i>Interest</i>	4,175,050	4,062,552	112,498
<i>Fiscal charges</i>	12,000	15,284	(3,284)
Total debt service:	<u>8,617,600</u>	<u>8,508,376</u>	<u>109,224</u>
Total expenditures	<u>8,617,600</u>	<u>8,508,376</u>	<u>109,224</u>
Excess (deficiency) of revenues over (under) expenditures	106,600	317,781	211,181
Other financing sources (uses):			
<i>Transfers in</i>	--	18,762	18,762
<i>Transfers out</i>	(50,000)	(50,000)	--
Total other financing sources (uses)	<u>(50,000)</u>	<u>(31,238)</u>	<u>18,762</u>
Net change in fund balances	56,600	286,543	229,943
Fund balances, October 1	790,752	790,752	--
Fund balances, September 30	<u>\$ 847,352</u>	<u>\$ 1,077,295</u>	<u>\$ 229,943</u>

**CITY OF ROCKWALL, TEXAS**

HARBOR DEBT SERVICE

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT C-16

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Ad valorem taxes, penalty and interest</i>	\$ 569,650	\$ 534,661	\$ (34,989)
<i>Sales taxes</i>	283,600	264,821	(18,779)
Total revenues	<u>853,250</u>	<u>799,482</u>	<u>(53,768)</u>
Expenditures:			
Debt service:			
<i>Principal</i>	240,000	240,000	--
<i>Interest</i>	654,000	653,993	7
Total debt service:	<u>894,000</u>	<u>893,993</u>	<u>7</u>
Total expenditures	<u>894,000</u>	<u>893,993</u>	<u>7</u>
Excess (deficiency) of revenues over (under) expenditures	(40,750)	(94,511)	(53,761)
Other financing sources (uses):			
<i>Transfers in</i>	50,000	50,000	--
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>--</u>
Net change in fund balances	9,250	(44,511)	(53,761)
Fund balances, October 1	44,452	44,452	--
Fund balances, September 30	<u>\$ 53,702</u>	<u>\$ (59)</u>	<u>\$ (53,761)</u>

**CITY OF ROCKWALL, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 SEPTEMBER 30, 2009

	Capital Projects	Equipment Acquisition	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
<b>ASSETS</b>			
<i>Cash and cash equivalents</i>	\$ 206,391	\$ 31,231	\$ 237,622
<i>Investments</i>	3,042,885	2,494,756	5,537,641
Receivables (net of allowances for uncollectibles):	--	--	--
<i>Accounts receivable</i>	450,000	225	450,225
<b>Total Assets</b>	<u>\$ 3,699,276</u>	<u>\$ 2,526,212</u>	<u>\$ 6,225,488</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
<i>Accounts payable and accrued liabilities</i>	\$ --	\$ 74,449	\$ 74,449
<b>Total Liabilities</b>	<u>--</u>	<u>74,449</u>	<u>74,449</u>
<b>Fund balances:</b>			
<i>Unreserved</i>	3,699,276	2,451,763	6,151,039
<b>Total fund balances</b>	<u>3,699,276</u>	<u>2,451,763</u>	<u>6,151,039</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,699,276</u>	<u>\$ 2,526,212</u>	<u>\$ 6,225,488</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, 2009

	Capital Projects	Equipment Acquisition	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
<b>Revenues:</b>			
<i>Intergovernmental</i>	\$ --	\$ 13,200	\$ 13,200
<i>Interest income</i>	1,447	2,437	3,884
<i>Miscellaneous</i>	450,000	8,481	458,481
<i>Donations</i>	1,800,000	--	1,800,000
<b>Total revenues</b>	<u>2,251,447</u>	<u>24,118</u>	<u>2,275,565</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<i>Administration</i>	78,376	--	78,376
<b>Total current</b>	<u>78,376</u>	<u>--</u>	<u>78,376</u>
<b>Capital outlay:</b>			
<i>Administration</i>	118,287	--	118,287
<i>Finance</i>	--	78,866	78,866
<i>Police</i>	--	174,297	174,297
<i>Fire</i>	--	1,220,786	1,220,786
<i>Public works</i>	14,876	75,187	90,063
<b>Total capital outlay</b>	<u>133,163</u>	<u>1,549,136</u>	<u>1,682,299</u>
<b>Debt service:</b>			
<i>Bond issuance cost</i>	14,199	32,977	47,176
<b>Total debt service:</b>	<u>14,199</u>	<u>32,977</u>	<u>47,176</u>
<b>Total expenditures</b>	<u>225,738</u>	<u>1,582,113</u>	<u>1,807,851</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,025,709</b>	<b>(1,557,995)</b>	<b>467,714</b>
<b>Other financing sources (uses):</b>			
<i>Transfers in</i>	130,000	183,350	313,350
<i>Transfers out</i>	(349,350)	--	(349,350)
<i>Proceeds of long-term debt</i>	1,571,869	3,948,131	5,520,000
<i>Premium on bonds issued</i>	21,965	51,626	73,591
<i>Discount on bonds issued</i>	(12,010)	(28,764)	(40,774)
<b>Total other financing sources (uses)</b>	<u>1,362,474</u>	<u>4,154,343</u>	<u>5,516,817</u>
<b>Net change in fund balances</b>	<b>3,388,183</b>	<b>2,596,348</b>	<b>5,984,531</b>
<b>Fund balances, October 1</b>	<b>311,093</b>	<b>(144,585)</b>	<b>166,508</b>
<b>Fund balances, September 30</b>	<u><u>\$ 3,699,276</u></u>	<u><u>\$ 2,451,763</u></u>	<u><u>\$ 6,151,039</u></u>

**CITY OF ROCKWALL, TEXAS**  
 COMBINING STATEMENT OF NET ASSETS  
 INTERNAL SERVICE FUNDS  
 SEPTEMBER 30, 2009

	Employee Benefits	Workers' Compensation	Total Internal Service Funds (See Exhibit A-7)
<b>ASSETS</b>			
Current Assets:			
<i>Cash and cash equivalents</i>	\$ 18,698	\$ 10,231	\$ 28,929
<i>Investments</i>	17,613	1,077,611	1,095,224
<i>Other receivables</i>	92,797	--	92,797
Total current assets	<u>129,108</u>	<u>1,087,842</u>	<u>1,216,950</u>
Total Assets	<u>129,108</u>	<u>1,087,842</u>	<u>1,216,950</u>
<b>LIABILITIES</b>			
Current Liabilities:			
<i>Accounts payable and accrued liabilities</i>	339,309	17,454	356,763
<i>Due to other funds</i>	217,415	--	217,415
Total current liabilities	<u>556,724</u>	<u>17,454</u>	<u>574,178</u>
Total Liabilities	<u>556,724</u>	<u>17,454</u>	<u>574,178</u>
<b>NET ASSETS (DEFICITS)</b>			
<i>Unrestricted</i>	(427,616)	1,070,388	642,772
Total Net Assets (Deficits)	<u>\$ (427,616)</u>	<u>\$ 1,070,388</u>	<u>\$ 642,772</u>

**CITY OF ROCKWALL, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Employee Benefits	Workers' Compensation	Total Internal Service Funds (See Exhibit A-8)
<b>OPERATING REVENUES:</b>			
<i>Charges for services</i>	\$ 463,195	\$ --	\$ 463,195
<i>Reinsurance reimbursement</i>	245,543	--	245,543
Total Operating Revenues	<u>708,738</u>	<u>--</u>	<u>708,738</u>
<b>OPERATING EXPENSES:</b>			
<i>Contractual services</i>	2,863,517	199,056	3,062,573
Total Operating Expenses	<u>2,863,517</u>	<u>199,056</u>	<u>3,062,573</u>
Operating Income (Loss)	<u>(2,154,779)</u>	<u>(199,056)</u>	<u>(2,353,835)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
<i>Interest income</i>	7,473	5,854	13,327
<i>Miscellaneous income</i>	--	8,828	8,828
Total Non-operating Revenues (Expenses)	<u>7,473</u>	<u>14,682</u>	<u>22,155</u>
Net Income (Loss) before Operating Transfers	<u>(2,147,306)</u>	<u>(184,374)</u>	<u>(2,331,680)</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS:</b>			
<i>Transfers in</i>	1,995,500	30,000	2,025,500
Total Transfers and Capital Contributions	<u>1,995,500</u>	<u>30,000</u>	<u>2,025,500</u>
Change in net assets	<u>(151,806)</u>	<u>(154,374)</u>	<u>(306,180)</u>
Net assets, October 1	(275,810)	1,224,762	948,952
Net assets, September 30	<u>\$ (427,616)</u>	<u>\$ 1,070,388</u>	<u>\$ 642,772</u>

**CITY OF ROCKWALL, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Employee Benefits	Workers' Compensation	Total Internal Service Funds (See Exhibit A-9)
<b>Cash Flows from Operating Activities:</b>			
<i>Cash Received from Customers</i>	\$ 654,269	\$ 8,828	\$ 663,097
<i>Cash Payments to Suppliers for Goods and Services</i>	(2,843,617)	(192,454)	(3,036,071)
Net Cash Provided (Used) by Operating Activities	<u>(2,189,348)</u>	<u>(183,626)</u>	<u>(2,372,974)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>			
<i>Payments Made to Other Funds</i>	--	--	--
<i>Cash Received from Other Funds</i>	2,212,915	30,000	2,242,915
Net Cash Provided (Used) by Non-capital Financing Activities	<u>2,212,915</u>	<u>30,000</u>	<u>2,242,915</u>
<b>Cash Flows from Investing Activities:</b>			
<i>Purchase of Investment Securities</i>	--	--	--
<i>Proceeds from Sale and Maturities of Securities</i>	--	--	--
<i>Interest and Dividends on Investments</i>	7,473	6,135	13,608
Net Cash Provided (Used) for Investing Activities	<u>7,473</u>	<u>6,135</u>	<u>13,608</u>
Net Increase (Decrease) in Cash and Cash Equivalents	31,040	(147,491)	(116,451)
Cash and Cash Equivalents at Beginning of Year	5,271	1,235,333	1,240,604
Cash and Cash Equivalents at End of Year	<u>\$ 36,311</u>	<u>\$ 1,087,842</u>	<u>\$ 1,124,153</u>
Cash Equivalents Included in Investments:			
<i>Unrestricted</i>	<u>\$ 17,613</u>	<u>\$ 1,077,611</u>	<u>\$ 1,095,224</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating Income (Loss)	\$ (2,154,779)	\$ (199,056)	\$ (2,353,835)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
<i>Miscellaneous income</i>	--	8,828	8,828
Change in Assets and Liabilities:			
<i>Decrease (Increase) in Receivables</i>	(54,469)	--	(54,469)
<i>Increase (Decrease) in Accounts Payable</i>	19,900	6,602	26,502
<i>Increase (Decrease) in Bank Overdraft</i>	--	--	--
Total Adjustments	<u>(34,569)</u>	<u>15,430</u>	<u>(19,139)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,189,348)</u>	<u>\$ (183,626)</u>	<u>\$ (2,372,974)</u>

**CITY OF ROCKWALL, TEXAS**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
SPECIAL ESCROW AGENCY FUND  
YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT C-22

	Balance October 1, 2008	Additions	Deductions	Balance September 30, 2009
<b>ASSETS</b>				
<i>Cash</i>	\$ 199	\$ 3,415,542	\$ 3,390,320	\$ 25,421
<i>Investments</i>	1,717,589	4,357,646	4,732,438	1,342,797
<i>Accrued interest receivable</i>	25,183	396	25,579	--
Total Assets	<u>\$ 1,742,971</u>	<u>\$ 7,773,584</u>	<u>\$ 8,148,337</u>	<u>\$ 1,368,218</u>
<b>LIABILITIES</b>				
<i>Due to developers</i>	\$ 1,742,971	\$ 187,017	\$ 561,769	\$ 1,368,219
Total Liabilities	<u>\$ 1,742,971</u>	<u>\$ 187,017</u>	<u>\$ 561,769</u>	<u>\$ 1,368,219</u>

**CITY OF ROCKWALL, TEXAS**  
 ECONOMIC DEVELOPMENT CORPORATION  
 DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT C-23

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
<i>Sales taxes</i>	\$ 3,309,400	\$ 3,300,451	\$ (8,949)
<i>Charges for services</i>	460,200	4,236	(455,964)
<i>Interest income</i>	86,000	94,774	8,774
<b>Total revenues</b>	<b>3,855,600</b>	<b>3,399,461</b>	<b>(456,139)</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<i>Administration</i>	971,400	879,836	91,564
<b>Total current</b>	<b>971,400</b>	<b>879,836</b>	<b>91,564</b>
<b>Capital outlay:</b>			
<i>Administration</i>	5,058,000	2,147,960	2,910,040
<b>Total capital outlay</b>	<b>5,058,000</b>	<b>2,147,960</b>	<b>2,910,040</b>
<b>Debt service:</b>			
<i>Principal</i>	1,095,000	1,095,000	--
<i>Interest</i>	996,163	943,226	52,937
<i>Fiscal charges</i>	3,500	3,322	178
<i>Bond issuance cost</i>	138,800	100,159	38,641
<b>Total debt service:</b>	<b>2,233,463</b>	<b>2,141,707</b>	<b>91,756</b>
<b>Total expenditures</b>	<b>8,262,863</b>	<b>5,169,503</b>	<b>3,093,360</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,407,263)</b>	<b>(1,770,042)</b>	<b>2,637,221</b>
<b>Other financing sources (uses):</b>			
<i>Proceeds of long-term debt</i>	6,268,710	6,130,000	(138,710)
<b>Total other financing sources (uses)</b>	<b>6,268,710</b>	<b>6,130,000</b>	<b>138,710</b>
<b>Net change in fund balances</b>	<b>1,861,447</b>	<b>4,359,958</b>	<b>2,498,511</b>
<b>Fund balances, October 1</b>	<b>16,767,093</b>	<b>16,767,093</b>	<b>--</b>
<b>Fund balances, September 30</b>	<b>\$ 18,628,540</b>	<b>\$ 21,127,051</b>	<b>\$ 2,498,511</b>

**CITY OF ROCKWALL, TEXAS**  
 ROCKWALL TECHNOLOGY PARK ASSOCIATION  
 DISCRETE COMPONENT UNIT  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT C-24

	Budget	Actual	Variance Positive (Negative)
Revenues.			
<i>Interest income</i>	\$ 1,500	\$ 402	\$ (1,098)
<i>Miscellaneous</i>	181,900	146,625	(35,275)
Total revenues	183,400	147,027	(36,373)
Expenditures:			
Current:			
<i>Administration</i>	181,900	142,192	39,708
Total current	181,900	142,192	39,708
Capital outlay:			
Total expenditures	181,900	142,192	39,708
Net change in fund balances	1,500	4,835	3,335
Fund balances, October 1	50,331	50,331	--
Fund balances, September 30	\$ 51,831	\$ 55,166	\$ 3,335

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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, 2009 AND 2008

EXHIBIT C-25

	2009	2008
General fixed assets:		
<i>Land</i>	\$ 5,692,561	\$ 5,692,561
<i>Construction in progress</i>	61,559,537	44,835,698
<i>Buildings</i>	12,465,268	10,554,952
<i>Improvements other than buildings</i>	25,208,584	24,074,474
<i>Machinery and equipment</i>	12,574,777	11,415,874
<i>Infrastructure</i>	122,036,931	112,332,202
Total governmental funds capital assets	<u>\$ 239,537,658</u>	<u>\$ 208,905,761</u>
Investment in general fixed assets by source:		
<i>Bond proceeds</i>	\$ 119,355,741	\$ 96,921,882
<i>General government</i>	42,062,576	40,155,136
<i>Grants and entitlements</i>	2,177,098	2,141,475
<i>Developer contributions</i>	75,942,243	69,687,268
Total investment in governmental funds capital assets	<u>\$ 239,537,658</u>	<u>\$ 208,905,761</u>

**CITY OF ROCKWALL, TEXAS**

SCHEDULE BY FUNCTION AND ACTIVITY OF  
 CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2009

EXHIBIT C-26

Function and Activity	Land	Construction in Progress	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total
General government	\$ 2,900,172	\$ 61,559,537	\$ 5,704,789	\$ 2,933,693	\$ 2,989,895	--	\$ 76,088,086
Public works	273,803	--	324,434	719,654	1,296,411	122,036,931	124,651,233
Public safety	825,188	--	2,118,795	12,802	2,355,575	--	5,312,360
Recreational/development	1,693,398	--	2,272,730	21,542,435	1,290,040	--	26,798,603
Fire equipment	--	--	2,044,520	--	4,642,856	--	6,687,376
<b>Total Governmental Capital Assets</b>	<b>\$ 5,692,561</b>	<b>\$ 61,559,537</b>	<b>\$ 12,465,268</b>	<b>\$ 25,208,584</b>	<b>\$ 12,574,777</b>	<b>\$ 122,036,931</b>	<b>\$ 239,537,658</b>

**CITY OF ROCKWALL, TEXAS**

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY OF  
 CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
 YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT C-27

Function and Activity	Capital Assets October 1, 2008	Additions	Deductions	Transfers	Capital Assets September 30, 2009
General government	\$ 57,270,178	\$ 22,984,331	(21,325)	\$ (4,163,817)	\$ 76,069,367
Public works	114,178,816	6,678,033	--	3,794,385	124,651,234
Public Safety	5,255,882	268,699	(212,221)	--	5,312,360
Recreation/development	26,399,830	88,733	(59,391)	369,432	26,798,604
Fire Equipment	5,801,055	991,024	(85,986)	--	6,706,093
Total governmental funds Capital Assets	\$ 208,905,761	\$ 31,010,820	(378,923)	\$ --	\$ 239,537,658

# 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	121
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	132
<i>These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.</i>	
Debt Capacity	138
<i>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.</i>	
Demographic and Economic Information	143
<i>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.</i>	
Operating Information	145
<i>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.</i>	

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 ASSETS  
LAST TEN FISCAL YEARS  
(unaudited)

TABLE D-1

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Governmental activities										
Invested in capital assets, net of related debt	\$ 88,367,580	\$ 63,546,273	\$ 49,487,300	\$ 34,020,634	\$ 41,346,180	\$ 47,695,043	\$ 43,120,444	\$ -	\$ -	\$ -
Restricted	2,306,529	14,222,187	23,258,947	37,748,076	17,051,680	5,897,961	8,354,614	-	-	-
Unrestricted	12,955,777	13,643,810	13,386,297	11,683,150	11,850,426	10,242,495	9,975,317	-	-	-
Total governmental activities net assets	<u>\$ 103,629,886</u>	<u>\$ 91,412,270</u>	<u>\$ 86,132,544</u>	<u>\$ 83,451,860</u>	<u>\$ 70,248,286</u>	<u>\$ 63,835,499</u>	<u>\$ 61,450,375</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 53,418,392	\$ 48,127,382	\$ 47,893,027	\$ 41,923,596	\$ 37,368,956	\$ 38,406,139	\$ 32,724,578	\$ -	\$ -	\$ -
Restricted	7,568,701	17,888,236	14,620,878	18,060,049	18,350,884	11,698,161	15,635,741	-	-	-
Unrestricted	6,162,163	5,283,929	5,463,619	7,081,727	7,475,827	9,457,896	3,746,526	-	-	-
Total business-type activities net assets	<u>\$ 67,149,256</u>	<u>\$ 71,299,547</u>	<u>\$ 67,977,524</u>	<u>\$ 67,065,372</u>	<u>\$ 63,195,667</u>	<u>\$ 59,562,196</u>	<u>\$ 52,106,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government										
Invested in capital assets, net of related debt	\$ 141,785,972	\$ 111,673,655	\$ 97,380,327	\$ 75,944,230	\$ 78,715,136	\$ 86,101,182	\$ 75,845,022	\$ -	\$ -	\$ -
Restricted	9,875,230	32,110,423	37,879,825	55,808,125	35,402,564	17,596,122	23,990,355	-	-	-
Unrestricted	19,117,940	18,927,739	18,849,916	18,764,877	19,326,253	19,700,391	13,721,843	-	-	-
Total primary government net assets	<u>\$ 170,779,142</u>	<u>\$ 162,711,817</u>	<u>\$ 154,110,068</u>	<u>\$ 150,517,232</u>	<u>\$ 133,443,953</u>	<u>\$ 123,397,695</u>	<u>\$ 113,557,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: The City implemented GASB Statement No. 34 in fiscal year 2003, thus 10 years of data is not available.

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

TABLE D-2

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Expenses</b>										
Governmental activities:										
Mayor/Council	\$ 109,844	\$ 117,366	\$ 111,555	\$ 108,366	\$ 78,114	\$ 74,416	\$ 58,378	\$ -	\$ -	\$ -
Administration	6,707,709	7,384,773	5,523,924	6,040,692	4,908,083	5,757,527	3,583,719	-	-	-
Finance	1,409,054	1,338,894	1,138,210	1,027,654	954,840	877,537	760,436	-	-	-
Municipal Court	334,922	312,601	298,383	304,492	295,379	254,210	236,201	-	-	-
Police	8,384,774	7,130,698	7,001,771	6,095,435	6,372,344	6,862,707	5,446,279	-	-	-
Fire	2,201,236	2,242,829	2,207,468	1,889,269	1,144,577	1,530,503	966,400	-	-	-
Public Works	5,482,571	7,094,068	6,928,067	5,530,219	4,753,190	6,155,726	3,961,797	-	-	-
Community Development	1,350,023	2,229,753	2,018,363	1,781,548	1,680,857	1,493,249	442,470	-	-	-
Parks and Recreation	5,250,506	4,025,927	3,088,750	2,583,547	2,329,095	2,323,558	1,487,036	-	-	-
Interest on long-term debt	4,669,459	4,418,519	3,612,523	2,179,950	1,136,584	1,277,825	1,244,127	-	-	-
<b>Total governmental activities expenses</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>18,186,843</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business-type activities:										
Water and Sewer	13,272,884	12,206,742	10,917,707	10,253,226	8,777,277	7,061,272	6,436,878	-	-	-
<b>Total business-type activities expenses</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>6,436,878</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government expenses</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>\$ 24,623,721</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Community Development	1,020,979	1,072,444	1,118,001	1,318,516	1,687,141	1,680,531	1,487,000	\$ -	\$ -	\$ -
Municipal Court	1,082,488	974,973	989,677	883,228	917,610	928,470	730,753	-	-	-
Police	516,591	658,015	415,637	649,261	720,395	402,980	221,076	-	-	-
Other	667,091	1,252,838	1,275,491	1,771,297	1,012,518	894,130	492,282	-	-	-
Operating grants & contributions	81,199	151,741	1,059,602	783,317	894,114	1,424,824	772,911	-	-	-
Capital grants & contributions	8,127,487	6,620,540	3,193,554	11,804,857	5,893,301	6,624,160	181,426	-	-	-
<b>Total governmental activities program revenues</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>	<b>3,885,448</b>	<b>-</b>	<b>-</b>	<b>-</b>



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

TABLE D-2

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Business-type activities:										
Charges for services:										
Water Sales	6,574,110	6,060,043	4,815,631	6,547,846	5,379,382	4,474,069	4,530,970	-	-	-
Sewer Charges	2,748,160	2,409,614	2,338,820	2,355,821	2,046,425	1,922,989	1,809,478	-	-	-
Other	1,951,945	1,797,390	1,616,873	2,164,135	2,072,748	1,890,686	1,797,588	-	-	-
Operating grants & contributions	-	-	-	-	-	-	-	-	-	-
Capital grants & contributions	3,374,321	5,616,869	2,808,528	4,319,065	3,411,639	6,576,943	2,906,811	-	-	-
<b>Total business-type activities program revenues</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>11,044,847</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government program revenues</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>\$ 14,930,295</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Net (Expense)/Revenue										
Governmental activities	(24,404,263)	(25,564,877)	(23,877,052)	(10,330,696)	(12,527,984)	(14,652,163)	(14,301,395)	-	-	-
Business-type activities	1,375,652	3,677,174	662,145	5,133,641	4,132,917	7,803,415	4,607,969	-	-	-
<b>Total primary government net expense</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>(9,693,426)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>General Revenues and Transfers</b>										
Governmental activities:										
Property taxes	\$ 16,422,119	\$ 14,780,112	\$ 11,827,931	\$ 9,063,530	\$ 8,111,715	\$ 7,265,947	\$ 6,717,883	\$ -	\$ -	\$ -
Sales taxes	10,264,401	10,123,636	8,901,929	8,529,051	7,379,841	6,736,054	6,277,216	-	-	-
Other	3,734,068	4,625,450	4,477,541	3,566,689	2,442,815	2,167,786	1,843,906	-	-	-
Transfers	6,201,291	1,315,405	1,350,335	2,375,000	1,006,400	867,500	1,337,963	-	-	-
<b>Total governmental activities</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>	<b>16,176,968</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business-type activities:										
Other	675,348	960,254	1,600,342	1,111,064	506,954	519,436	345,017	-	-	-
Transfers	(6,201,291)	(1,315,405)	(1,350,335)	(2,375,000)	(1,006,400)	(867,500)	(1,337,963)	-	-	-
<b>Total business-type activities</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>(992,946)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government</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>\$ 15,184,022</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Change in Net Assets</b>										
Governmental activities	\$ 12,217,616	\$ 5,279,726	\$ 2,680,684	\$ 13,203,574	\$ 6,412,787	\$ 2,385,124	\$ 1,875,573	\$ -	\$ -	\$ -
Business-type activities	(4,150,291)	3,322,023	912,152	3,869,705	3,633,471	7,455,351	3,615,023	-	-	-
<b>Total primary government</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>	<b>\$ 5,490,596</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Note: The City implemented GASB Statement No. 34 in fiscal year 2003, thus 10 years of data is not available.

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>
2000	-	-	-	-
2001	-	-	-	-
2002	-	-	-	-
2003	6,717,883	6,277,216	1,567,874	14,562,973
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

Note: The City implemented GASB Statement No. 34 in fiscal year 2003, thus 10 years of data is not available.

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>
1999	3,252,453	1,260,397	4,512,850
2000	3,612,008	1,379,684	4,991,692
2001	3,835,507	1,601,062	5,436,569
2002	3,913,496	1,770,522	5,684,018
2003	4,530,970	1,809,478	6,340,448
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

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

TABLE D-5

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Fund										
Reserved	\$ 2,870	\$ 2,446	\$ 1,407	\$ 26,130	\$ 26,980	\$ 16,104	\$ 7,500	\$ 6,862	\$ 16,414	\$ 11,663
Unreserved	8,293,107	8,264,368	8,335,289	7,692,662	7,301,334	6,860,155	7,235,979	7,579,095	6,436,530	6,770,275
Total general fund	<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>	<u>\$ 7,243,479</u>	<u>\$ 7,585,957</u>	<u>\$ 6,452,944</u>	<u>\$ 6,781,938</u>
All other governmental funds										
Reserved for:										
Debt Service	\$ 1,077,236	\$ 835,203	\$ 1,083,320	\$ 1,461,294	\$ 1,155,897	\$ 694,758	\$ 683,650	\$ 551,753	\$ 509,255	\$ 386,149
Unreserved, reported in:										
Special revenue funds	2,399,605	3,145,275	2,797,330	2,422,376	2,046,410	1,358,357	926,507	671,382	1,171,009	5,120,309
Capital projects funds	16,906,340	13,094,614	21,877,706	36,529,256	16,113,095	5,271,300	7,540,907	9,031,865	13,065,344	16,135,737
Total all other governmental funds	<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>	<u>\$ 9,151,064</u>	<u>\$ 10,255,000</u>	<u>\$ 14,745,608</u>	<u>\$ 21,642,195</u>

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

TABLE D-6

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Revenues</b>										
Ad valorem taxes, penalty and interest	\$ 16,407,575	\$ 14,708,142	\$ 11,820,994	\$ 8,979,948	\$ 8,140,125	\$ 7,270,408	\$ 6,678,166	\$ 5,722,744	\$ 5,032,885	\$ 4,072,641
Sales taxes	10,264,401	10,123,637	8,901,929	8,529,051	7,379,841	6,736,054	6,277,216	6,228,716	6,109,463	7,726,450
Franchise taxes	2,444,296	2,179,847	2,046,674	1,981,016	1,715,242	1,702,156	1,548,499	1,506,971	1,278,671	1,034,660
Charges for services	738,146	362,107	417,049	426,996	268,125	266,450	263,349	159,451	135,417	108,441
Permits	1,005,541	1,122,505	1,132,985	1,325,832	1,718,218	1,709,832	1,521,019	1,467,736	618,405	570,932
Municipal court	1,056,904	1,177,410	1,019,260	987,066	906,634	937,164	734,500	584,171	509,645	472,921
Intergovernmental	428,747	419,700	1,097,790	1,011,739	3,182,350	1,772,811	1,100,961	1,452,565	1,155,484	1,891,965
Interest income	611,615	1,702,870	2,012,244	1,149,204	304,644	143,269	312,700	598,483	1,002,624	1,569,214
Miscellaneous	872,988	837,707	716,896	1,060,866	1,080,366	755,733	422,427	375,753	297,490	584,386
Contributions and donations	2,812,457	775,695	2,241,586	6,251,435	163,635	252,037	56,463	35,112	60,539	244,594
<b>Total Revenues</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>18,915,300</b>	<b>18,131,702</b>	<b>16,200,623</b>	<b>18,276,204</b>
<b>Expenditures</b>										
<b>Current:</b>										
Mayor/council	109,845	117,366	111,555	108,366	78,114	74,416	58,377	68,480	38,068	31,148
Administration	3,358,705	3,056,885	2,750,197	2,910,478	2,708,948	2,324,516	3,024,304	2,421,992	1,880,816	1,348,888
Finance	1,266,436	1,199,417	1,138,238	1,025,230	952,808	837,800	756,688	707,823	615,694	515,463
Municipal court	318,467	311,706	300,186	303,131	291,348	249,839	234,832	189,088	187,687	163,977
Police	7,775,622	6,923,679	6,426,957	6,235,463	6,070,311	6,083,676	5,171,682	5,024,188	4,261,907	3,770,329
Fire	1,618,559	1,451,970	1,340,624	1,242,836	1,075,427	950,622	757,447	373,099	336,556	267,251
Public works	1,528,010	2,824,267	2,427,535	2,411,324	2,050,077	2,005,360	1,781,760	1,648,599	1,393,969	1,278,762
Community development	1,258,030	2,219,167	2,002,767	1,783,961	1,682,480	1,477,483	440,481	302,156	391,843	954,429
Parks and recreation	4,493,524	2,907,229	2,473,238	2,318,135	1,826,608	1,758,180	1,369,986	1,322,614	1,030,236	862,235
<b>Total current</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>13,595,557</b>	<b>12,058,039</b>	<b>10,136,776</b>	<b>9,192,482</b>
<b>Capital outlay:</b>										
Administration	18,427,890	2,373,369	4,028,933	1,580,706	602,847	623,526	1,843,858	8,767,869	3,101,580	4,596,796
Finance	78,866	137,035	-	-	-	36,746	141,102	104,138	66,898	88,238
Municipal Court	-	-	-	-	-	3,958	13,152	-	-	11,705
Police	258,623	74,899	225,992	285,150	1,850,771	978,179	372,661	370,552	298,869	880,517
Fire	6,462,691	727,795	1,578,623	835,685	711,166	525,888	172,970	542,049	1,322,965	750,226
Public works	90,798	29,051,639	10,609,516	25,733,888	9,756,038	1,667,682	1,198,999	892,865	1,306,605	108,831
Community development	-	-	2,105	-	519	668	1,123	-	97,479	60,738
Parks and recreation	482,177	1,742,004	2,397,348	1,477,499	757,360	600,049	443,049	199,661	646,525	239,448
<b>Total capital outlay</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>	<b>4,186,914</b>	<b>10,877,134</b>	<b>6,840,921</b>	<b>6,736,499</b>

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

TABLE D-6

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Debt service:										
Principal	4,670,540	4,335,462	3,726,505	2,620,235	1,801,369	2,831,984	1,623,841	1,590,000	1,196,321	780,188
Interest	4,716,545	4,254,162	3,607,455	1,748,001	977,878	1,032,504	1,229,093	1,198,065	1,305,721	1,438,232
Bond issuance costs	242,173	468,837	9,500	500,889	429,728	99,311	-	50,879	-	-
Fiscal charges	15,284	6,384	6,484	6,020	5,063	7,403	9,272	14,580	10,380	6,968
Total debt services	9,644,542	9,064,845	7,349,944	4,875,145	3,214,038	3,971,202	2,862,206	2,853,524	2,512,422	2,225,388
Total expenditures	57,172,785	64,183,272	45,163,758	53,126,997	33,628,860	24,169,790	20,644,677	25,788,697	19,490,119	18,154,369
Excess (deficiency) of revenues over (under) expenditures	(20,530,115)	(30,773,652)	(13,756,351)	(21,423,844)	(8,769,680)	(2,623,876)	(1,729,377)	(7,656,995)	(3,289,496)	121,835
<b>Other financing sources (uses):</b>										
Transfers in	8,664,757	1,975,436	2,585,804	4,305,332	2,959,535	2,429,909	4,445,973	4,976,111	2,942,643	2,815,824
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers out	(4,488,966)	(2,715,031)	(2,866,119)	(3,478,832)	(3,416,135)	(2,812,409)	(4,163,010)	(4,971,711)	(2,996,182)	(3,055,824)
Bonds issued	19,295,000	22,270,000	-	41,045,000	21,200,000	-	-	4,295,000	-	8,650,000
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	444,623	490,101	-	864,326	271,518	-	-	-	-	-
Payment to refunded bond escrow agent	(4,853,047)	-	-	-	(6,027,109)	(3,120,178)	-	-	-	-
Total other financing sources (uses)	23,867,367	22,020,506	(280,315)	42,911,846	21,212,722	564,737	282,963	4,299,400	(53,539)	8,410,000
Net change in fund balances	3,337,252	(8,753,146)	(14,036,666)	21,488,002	12,443,042	(2,059,139)	(1,446,414)	(3,357,595)	(3,343,035)	8,531,835
Debt service as a percentage of noncapital expenditures	30.6%	24.0%	22.0%	17.4%	13.5%	14.4%	18.1%	19.1%	19.9%	19.5%

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>
2000	4,072,641	7,726,450	1,034,660	12,833,751
2001	5,032,885	6,109,463	1,278,671	12,421,019
2002	5,722,744	6,228,716	1,506,971	13,458,431
2003	6,678,166	6,277,216	1,548,499	14,503,881
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



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>
2000	5,834,244	143.91%	0.52
2001	6,109,463	124.62%	0.45
2002	6,228,716	108.84%	0.39
2003	6,277,216	94.00%	0.34
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	76.73%	0.35
2008	10,123,637	70.44%	0.36
2009	10,264,401	64.13%	0.34

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			
2000	1999	713,080,370	313,108,302	161,240,698	65,713,842	1,121,715,528	0.3600
2001	2000	879,924,785	370,271,592	201,150,402	86,564,864	1,364,781,915	0.3600
2002	2001	1,005,596,905	434,430,607	231,005,372	92,155,332	1,578,877,552	0.3600
2003	2002	1,180,867,660	484,847,529	271,117,946	99,943,555	1,836,889,580	0.3600
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

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 Total Exempt</u>
2000	27,511,159	759,504	34,508,640	7,041,464	26,250
2001	28,201,159	783,004	34,719,380	8,600,537	26,250
2002	31,135,770	938,984	47,080,860	7,031,665	-
2003	32,005,770	949,484	48,516,530	7,025,287	71,939
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

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
1999	0.2179	0.1421	0.3600	1.4900	0.3202
2000	0.1898	0.1702	0.3600	1.5780	0.3536
2001	0.1748	0.1852	0.3600	1.8400	0.3534
2002	0.1826	0.1774	0.3600	1.8372	0.3534
2003	0.1982	0.1618	0.3600	1.8800	0.3534
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

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

TABLE D-12

Taxpayer	2009			2000		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
CNLRS Rockwall, LP	49,246,880	1	1.76%	-	-	-
Continental Pet Technology	40,604,530	2	1.45%	19,831,801	1	1.76%
Rockwall Regional Hospital, LLP	36,873,290	3	1.32%	-	-	-
Mariah Bay Development, Inc	31,915,280	4	1.14%	-	-	-
Oncor Electric Delivery Service	23,337,850	5	0.83%	10,628,510	6	0.94%
Rockwall Crossing LTD	23,069,615	6	0.82%	-	-	-
Wal-mart	22,081,420	7	0.79%	16,303,431	2	1.45%
SPM/WRI Rockwall, L.P.	20,500,000	8	0.73%	15,027,200	3	1.34%
Rockwall Hotel & Conference Group	19,167,110	9	0.68%	-	-	-
Texas Star Express	18,872,090	10	0.67%	-	-	-
Lowes Home Centers, Inc.	-	-	-	14,147,116	4	1.26%
Rockwall/ S-30 Ltd.	-	-	-	12,104,170	5	1.08%
Steger Towne Crossing, LP	-	-	-	10,158,450	7	0.90%
Dayton Hudson	-	-	-	9,402,800	8	0.84%
Kohl's Department Stores, Inc.	-	-	-	9,183,280	9	0.82%
Bent Tree Realty Co.	-	-	-	9,144,820	10	0.81%
Subtotal	<u>236,421,185</u>		<u>8.44%</u>	<u>125,931,578</u>		<u>11.19%</u>
Total Taxable Value	<u>2,801,901,551</u>		<u>100.00%</u>	<u>1,125,145,000</u>		<u>100.00%</u>

Source: Rockwall Central Appraisal District  
 Note: For tax years 2008 and 1999

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

TABLE D-13

Fiscal Year	Tax Year	Total Tax Levy	Current Tax Collections	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
1999	1998	3,403,144	3,314,812	3,314,812	97.40%	90,041	3,404,853	100.05%
2000	1999	4,054,089	3,937,051	3,937,051	97.11%	90,041	4,027,092	99.33%
2001	2000	4,915,155	4,864,930	4,864,930	98.98%	110,627	4,975,557	101.23%
2002	2001	5,696,005	5,605,385	5,605,385	98.41%	55,841	5,661,226	99.39%
2003	2002	6,619,325	6,487,602	6,487,602	98.01%	77,090	6,564,692	99.17%
2004	2003	7,194,520	7,145,433	7,145,433	99.32%	176,253	7,321,686	101.77%
2005	2004	8,063,888	8,021,945	8,021,945	99.48%	141,227	8,163,172	101.23%
2006	2005	8,984,907	8,921,613	8,921,613	99.30%	114,598	9,036,211	100.57%
2007	2006	11,602,218	11,433,285	11,433,285	98.54%	112,247	11,545,532	99.51%
2008	2007	14,371,045	14,173,725	14,173,725	98.63%	139,450	14,313,175	99.60%
2009	2008	16,005,417	15,923,847	15,923,847	99.49%	269,545	16,193,392	101.17%

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

TABLE D-14

Customer	2009			2000		
	Water Usage	Rank	Percentage of Total Water Usage	Water Usage	Rank	Percentage of Total Water Usage
City of Rockwall	61,481,900	1	2.05%	11,103,600	9	0.55%
Rockwall I.S.D.	33,372,600	2	1.11%	30,102,000	2	1.50%
Whittle Development	23,317,400	3	0.78%	-	-	-
D.W.C./Highlife Properties	17,269,800	4	0.58%	19,616,500	5	0.98%
Mission Rockwall	15,450,700	5	0.51%	21,429,500	4	1.07%
Walden Residential Properties	13,288,600	6	0.44%	21,581,400	3	1.08%
Rockwall Crossing, Ltd.	11,000,700	7	0.37%	-	-	-
Rockwall Nursing Home	10,816,300	8	0.36%	-	-	-
Lake Pointe Church	10,710,400	9	0.36%	-	-	-
Continental Can	9,366,600	10	0.31%	12,061,400	8	0.60%
Lone Star Circuits	-	-	-	31,047,100	1	1.55%
Steger Towne Crossing	-	-	-	16,043,600	6	0.80%
Sabre Realty	-	-	-	13,667,000	7	0.68%
Bent Creek Condos, HOA	-	-	-	9,257,100	10	0.46%
Subtotal	<u>206,075,000</u>		<u>6.86%</u>	<u>185,909,200</u>		<u>9.28%</u>
Total Water Usage	<u>3,003,234,960</u>		<u>100.00%</u>	<u>2,003,102,000</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	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Water and Sewer Revenue Bonds	Capitalized Lease Obligations			
2000	14,809,306	6,500,000	1,725,245	610,694	-	119,755	4,815,936	3,185,000	31,765,936	5.69%	1,863
2001	14,088,900	6,375,000	1,374,329	506,100	-	60,644	4,563,753	2,840,000	29,808,726	5.53%	1,574
2002	13,295,364	10,485,000	945,000	384,636	-	-	10,991,569	2,505,000	38,606,569	6.54%	1,841
2003	12,521,523	9,890,000	690,000	288,477	-	-	10,555,000	2,150,000	36,095,000	5.60%	1,580
2004	11,918,933	9,075,000	420,000	271,067	-	-	10,035,000	1,780,000	33,500,000	4.07%	1,329
2005	22,992,564	17,940,000	345,000	247,436	-	-	14,910,000	1,385,000	57,820,000	6.22%	2,080
2006	57,632,329	21,825,000	315,000	212,671	-	-	14,145,000	1,145,000	95,275,000	9.57%	3,155
2007	55,720,824	20,045,000	280,000	184,176	-	-	13,360,000	5,040,094	94,630,094	8.87%	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	11.18%	3,824
2009	86,179,822	22,425,000	-	135,178	25,890,000	-	11,670,000	7,431,754	153,731,754	14.29%	4,789

Note: See Table 19 for personal income and population data



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 Value	Per Capita
	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Gross Bonded Debt				
1999	13,094,712	-	1,990,449	15,085,161	284,139	14,801,022	1.56%	919
2000	14,809,306	6,500,000	1,725,245	23,034,551	386,149	22,648,402	2.01%	1,328
2001	14,088,900	6,375,000	1,374,329	21,838,229	509,255	21,328,974	1.58%	1,126
2002	13,295,364	10,485,000	945,000	24,725,364	551,753	24,173,611	1.52%	1,153
2003	12,521,523	9,890,000	690,000	23,101,523	683,650	22,417,873	1.21%	981
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	1,461,294	78,311,035	3.22%	2,593
2007	55,720,824	20,045,000	280,000	76,045,824	1,083,320	74,962,504	2.91%	2,387
2008	74,925,362	18,810,000	245,000	93,980,362	835,203	93,145,159	3.32%	2,934
2009	86,179,822	22,425,000	-	108,604,822	1,077,236	107,527,586	3.57%	3,349

Note: See Table 19 for population data and Table 8 for property value data

CITY OF ROCKWALL, TEXAS  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 SEPTEMBER 30, 2009  
 (unaudited)

TABLE D-17

Jurisdiction	Net General Obligation Bonded Debt Outstanding (1)	Percentage Applicable to the City of Rockwall	Amounts Applicable to the City of Rockwall
Direct:			
City of Rockwall	\$ 134,630,000	100.00%	\$ 134,630,000
Indirect:			
Rockwall Independent School District	349,963,101	57.86%	202,488,650
Rockwall County	<u>60,060,000</u>	48.89%	<u>29,363,334</u>
Total Indirect	<u>410,023,101</u>		<u>231,851,984</u>
Total Direct and Overlapping Bonded Debt	<u>\$ 544,653,101</u>		<u>\$ 366,481,984</u>
Average debt per capita			<u>11,416</u>

(1) Includes all General Obligation Bonds, Contractual Obligations, and Certificates of Obligation of the primary government.

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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
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	0.5031	0.4865	0.425	0.3689	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600
Legal Debt Margin	1.9969	2.0135	2.0750	2.1311	2.1400	2.1400	2.1400	2.1400	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	
2000	9,225,111	3,068,964	6,156,147	255,000	242,228	497,228	12.38
2001	10,253,437	3,773,301	6,480,136	260,000	227,663	487,663	13.29
2002	7,785,753	4,159,459	3,626,294	280,000	213,638	493,638	7.35
2003	9,259,528	4,647,959	4,611,569	510,000	486,884	996,884	4.63
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

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 (%) (3)
2000	17,050	558,064	32,731	8,435	3.0
2001	18,934	539,278	28,482	8,898	5.5
2002	20,967	590,473	28,162	9,617	7.1
2003	22,850	644,256	28,195	10,077	6.7
2004	25,200	822,453	32,637	10,527	5.1
2005	27,800	929,882	33,449	11,560	3.5
2006	30,200	995,574	32,966	12,627	3.4
2007	31,407	1,066,362	33,953	13,086	3.9
2008	31,748	1,085,718	34,198	13,407	4.9
2009	32,103	1,075,900	33,514	13,721	7.0

Source: (1) Rockwall Economic Development Corporation  
 (2) Rockwall Independent School District - private schools not included  
 (3) Texas Workforce Commission

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

TABLE D-21

Employer	2009			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Rockwall Independent School District	1,667	1	9.76%	1200	1	12.38%
Texas Star Express	484	2	2.83%	200	6	2.06%
Wal-Mart Superstore	450	3	2.63%	500	2	5.16%
Presbyterian Hospital	419	4	2.45%	-	-	-
Rockwall County	253	5	1.48%	140	7	1.44%
City of Rockwall	256	6	1.50%	-	-	-
Special Products	205	7	1.20%	135	10	1.39%
Target	200	8	1.17%	-	-	-
Rockwall Nursing Home	160	9	0.94%	140	9	1.44%
Kohl's Department Store	140	10	0.82%	140	8	1.44%
Precision Cable	-	-	-	200	4	2.06%
James Helwig & Son	-	-	-	200	5	2.06%
Continental Pet	-	-	-	225	3	2.32%
Subtotal	<u>4,234</u>		<u>24.79%</u>	<u>3,080</u>		<u>31.78%</u>
Total	<u>17,081</u>		<u>100.00%</u>	<u>9,692</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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Administration	22	22	22	21	21	21	23	19	13	12
Finance	8	8	8	8	7.5	6.5	4.5	4.5	5	5
Municipal Court	4	4	4	4	4	3	3	3	3	3
Fire	17	10	10	9	9	8	5	4	3	2
Police	90.5	88	85	80	72	70	68	63	57	53
Community Development	29.5	29.5	29.5	28.5	25.5	22	21	19	14	15
Parks & Recreation	26	24.5	24.5	25	24	21	21	22	18	16
Public Works	21	23	23	23	21	21	21	20	19	19.5
Water/Sewer	38	34	31	29	26	25	23	22	21	20
<b>Total</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>	<b>189.50</b>	<b>176.50</b>	<b>153.00</b>	<b>145.50</b>

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

TABLE D-23

Function	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Finance										
Invoices processed	16,933	16,696	16,015	15,883	14,919	14,246	14,430	n/a	n/a	n/a
Payroll checks issued	8,176	7,765	7,840	7,042	6,579	6,543	5,882	4,983	4,277	4,196
Purchase orders issued	2,572	2,363	2,553	2,468	2,561	2,420	2,338	n/a	n/a	n/a
Municipal Court										
Violations Processed	16,526	12,984	17,455	16,635	15,225	13,913	15,000	9,364	8,010	7,173
Fire										
Employees (paid)	16	9	9	9	9	8	4	3	2	1
Volunteers	35	42	37	40	39	36	38	38	36	37
Fire Calls (City and County)	771	860	777	718	772	623	560	474	460	425
Police										
Employees (uniformed)	70	69	66	61	55	51	49	42	37	36
Employees (civilian)	20	19	18	18	17	17	15	12	12	12
Calls for Service	30,610	29,097	27,158	21,121	17,915	16,066	14,699	14,717	13,924	14,633
Community Development										
# permits - New commercial construction	17	26	33	18	51	18	27	22	13	26
Value - New commercial construction	71,061,773	40,553,363	104,798,013	39,358,497	49,918,558	29,067,960	40,304,701	41,967,125	16,001,068	12,444,115
# permits - New residential construction	169	173	192	470	739	885	775	945	767	655
Value - New residential construction	30,914,120	31,962,169	40,174,623	82,305,725	123,215,423	135,501,919	117,512,216	144,002,845	119,521,248	94,343,746
Parks & Recreation										
The Center facility usage	61,713	76,530	69,988	75,757	71,118	58,060	38,821	2,713	n/a	n/a
Special event attendance	90,680	75,232	54,156	25,231	26,547	35,736	14,300	9,113	5,440	n/a
# recreation participants (youth & adult)	2,155	2,757	2,727	2,381	2,034	1,793	1,411	882	1,028	n/a



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

TABLE D-23

Function	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Public Works										
Streets - sq yd concrete street repair	5,507.20	3,415.26	739.69	1,967.75	2,961.55	2,395.76	n/a	n/a	n/a	n/a
\$ spent on concrete/asphalt street repair	541,430	411,814	341,685	478,169	352,048	431,475	339,507	284,129	242,810	294,895
Miles of public street maintained by City	192.86	183.86	144.83	139.52	129.23	127.66	122.70	116.03	105.38	98.70
Water/Sewer										
Water customers	12,471	12,285	12,345	11,985	11,491	10,497	9,440	8,827	7,875	7,035
Sewer customers	11,401	11,106	10,987	10,445	10,020	9,282	8,510	7,781	7,026	6,310
Average daily water consumption (gal)	8,228,041	8,052,778	6,701,619	5,991,288	5,023,404	4,327,595	4,209,473	3,019,976	3,937,395	3,874,655
Maximum storage capacity (gal)	12,000,000	9,500,000	7,500,000	7,500,000	7,500,000	7,500,000	5,500,000	5,500,000	5,500,000	5,500,000

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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Fire										
Number of stations	2	2	2	2	2	2	2	2	1	1
Number of fire engines/trucks	12	11	11	9	8	8	8	8	8	8
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	42	42	42	42	37	30	26	22	n/a	n/a
Parks & Recreation										
Parks acres (developed)	538.00	538.00	341.50	324.60	307.30	287.70	283.20	n/a	n/a	n/a
Playgrounds	23	23	23	18	12	12	12	11	10	10
Picnic areas	31	31	29	27	26	26	25	12	5	5
Swimming pools	2	2	2	2	2	2	2	2	2	2
Public Works										
\$ spent on new street construction	15,444,384	24,508,043	4,885,417	1,689,445	2,477,496	165,359	116,368	1,670,734	377,153	n/a
\$ spent on street rehabilitation	1,446,058	4,219,701	2,492,251	6,575,541	2,352,112	583,947	397,026	967,878	1,503,738	n/a
Miles of public street	192.86	183.86	144.83	139.52	129.23	127.66	122.70	116.03	105.38	98.70
Water/Sewer										
Water mains (miles)	255.88	250.40	160.06	155.37	146.32	139.93	128.49	120.93	105.35	96.43
Sanitary sewers (miles)	212.77	209.95	117.51	113.58	107.83	103.62	96.64	91.87	79.21	69.59

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