

**CITY OF ROCKWALL, TEXAS**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2011

Prepared by:

CITY OF ROCKWALL, TEXAS

FINANCE DEPARTMENT

Mary P. Smith, CPA  
Director of Finance



**CITY OF ROCKWALL, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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*Introductory Section*

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City of Rockwall  
*The New Horizon*

March 21, 2012

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, 2011, 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, 2011, 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, 2011, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**

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

The City currently has a land area of approximately 29.78 square miles and an estimated population of 36,810.

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

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

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

## **Factors Affecting Financial Condition**

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

## Local Economy

The City of Rockwall is situated in the Dallas/Fort Worth Consolidated Metropolitan Statistical Area. With its concentration of commercial and retail development, the City of Rockwall has long drawn shoppers from surrounding areas. As the national economy began to improve over the last year, Rockwall's economy benefitted from a mix of new businesses and the renewed success of others. Rockwall saw an increase of 6.4% in our local sales taxes. The city has a varied tax base including a mix of residential, commercial and light industrial properties. Total property values rose by 1.56%. The most recent five-year average is 5.26% per annum. The City's largest taxpayers are varied and include retail developments, industry, and medical facilities. 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:

- SPR Packaging, worked with the Rockwall Economic Development Corporation and added 120,000 square feet to their facility which has tripled in size since their opening in 2008. In addition, the REDC completed construction of the extension of Discovery Boulevard from the Technology Park to John King Boulevard increasing access to the interstate from the Park.
- The Presbyterian Hospital of Rockwall continues to add attract medical offices and quality long term care to the surrounding area. In excess of 43,000 square feet of new space were added in the adjacent area during 2011. The Presbyterian development has added more than \$60,000,000 to the City's tax rolls.
- Downtown Rockwall benefits from the attention garnered from Rockwall's being a Texas Main Street City. A number of new retail establishments including The Fatted Calf, Candles by Carol and The Life House joined to complement the many offerings in the downtown area. The City has seen a 2.2% increase in sales taxes in the downtown area in the last year.
- The Woodmont Company completed construction of the 100,000 square foot, second phase of their "Plaza" development. They added retail draws such as Maurice's, Joann Fabrics and Home Goods and anticipate the addition of others shortly. Several restaurant spaces were added with Olive Garden opening in 2012.
- In-N-Out Burger came to town along with the new Allure Restaurant which opened in the Chandler's Landing Yacht Club. Mi Cocina opened in Plaza Phase I and Campisi's opened at the Harbor. They joined the extensive mix of restaurants to choose from including locally owned favorites and nationally recognized names.

## 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 more recently in 2009. The policy states the City should maintain no less than 3 months of reserves and will allow reserves in excess of 3.5 months of recurring operating expenditures to be transferred to a capital projects fund to be used to fund future projects. The City has maintained reserves at or above this level for many years. This allows the City to respond to emergencies or downturns while not overburdening the taxpayers. Reserves over the 3.5 month level are available to fund capital projects in 2012 which includes expansion of facilities for the Police Department and Municipal Court.

## Planning Projects

The City has completed annexation of several large tracts of land which are now incorporated into the City planning. The City Council will complete the review of the City's Comprehensive Land Use Plan in 2012 and make updates as necessary.

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

The City worked with a consulting firm to prepare an extensive conceptual plan for Planned Development 32 (PD32) which encompasses 60 acres of undeveloped land inside the City's tax increment financing zone and adjacent to the Harbor development. The city recognized the importance of having the conceptual plan ready when the economy improves. The City initiated the zoning process to establish a form based code for the area. It is expected the area will soon see the expansion of the mixed-use concept with retail, restaurants, office and residential spaces as interest from the development community is being expressed.

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

## Capital Improvement Planning

A Capital Improvements Committee (CIP) of citizens considered a slate of projects in 2011. The committee recommended projects for a bond election to be held in May 2012. The ballot includes propositions to provide an athletic complex and downtown accessibility projects in addition to roadway and park projects. The City hired design and construction management professionals to work with staff and City Council to develop the vision for the projects and cost estimates to ensure the projects if approved can move forward expeditiously and be completed in budget.

## 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. Project teams present their reports to Council and their suggested improvements are implemented as funding allows. The City continues to receive good marks on our biannual survey completed in 2011 regarding our progress on adopted goals and strategies as well as areas of interest for future projects.

## Future Development

### Transportation

The City completed construction of “John King Boulevard” in honor of our late council member. Shortly after its completion, the Texas Department of Transportation began work on the overpass which will connect the northern and southern roadways and allow additional access to I-30. With construction progressing, it should be completed mid 2012. TxDOT, continues the project to widen FM740 in southern Rockwall. City projects underway in 2012 will include the reconstruction of Airport Road, a much traveled east-west roadway which will allow better access to John King Boulevard. Corporate Crossing, formerly FM549, will be widened to provide improved and enhanced access to the City’s light industrial area between I-30 and SH276.

The City is a member of a County-wide Consortium which allows County government officials to work with officials of each of the seven cities in the county to further transportation planning efforts. The Consortium meets monthly to discuss funding alternatives for the County’s transportation needs, which also involve planning and state participation. The County’s bond initiatives allow funding for the advance planning and design of 5 major roadway projects. This allows the projects to be ready to commence as soon as state funding is allocated for construction.

### Medical Services

Developments in the Horizon Road area have focused on medical services. With the availability of acute care at Presbyterian Hospital of Rockwall, the addition of several new medical buildings with Doctor’s suites and state of the art out-patient diagnostic imaging facilities has allowed Rockwall to become a regional medical services destination. Additional ancillary medical office buildings and long term care facilities are planned for near term development. Autumn Leaves Alzheimer’s and Memory Care Center opened in 2011.

### Retail / Entertainment

“The Harbor” development is situated on the shores of Lake Ray Hubbard at I-30. A public/private partnership provides opportunities for new retailers in the Bella Harbor development as well as public open space and a full-service Hilton Hotel and Conference Center. The Conference Center continues to attract events including numerous corporate training and retreat sessions and expect many which are scheduled for 2012.

In conjunction with the private development, the City established a tax increment financing (TIF) zone on an approximately 103 acre tract which allowed the financing and development of public open space to complement the development and allow citizens access to the Lake Ray Hubbard shore line. The City partnered with Rockwall County, and the Rockwall Economic Development

Corporation to establish the TIF to finance the public projects. A new owner and property manager in late 2010 have focused on adding several new restaurants to the mixed use development including the highly recognized Campisi's name in 2011. Popular Willis Jewelers added a new concept store to the Harbor featuring estate and collectibles items. Sales taxes in this area grew by 8.7% this year. The City is collaborating with an office tower developer who is planning construction of a seven-story, 85,000 square foot office tower overlooking the lake. The Harbor Heights Trend Tower will offer Class-A office space to its corporate tenants.

The City's extremely successful Concert on the Lake Series managed by the City's Recreation Department draws approximately 5,000 attendees each Thursday evening for a free concert. The series extended 12 weeks in 2011. Surveys conducted during the events gather data regarding the distance from which visitors traveled and approximate retail and restaurant dollars expended while here. The term "Live Music Capital of North Texas" has been coined to describe the many opportunities available year round in both public and restaurant venues.

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

A Farmer's Market brings visitors downtown Saturdays from May to October. The City sponsors an Art Fair one Saturday each month. The third annual "Rib Rub" was held in fall 2011 drawing more than 50 teams to the downtown square. The Main Street Advisory Board and "Friends of Downtown Rockwall", citizen volunteer group, are working to plan more special events downtown.

The City is fast becoming the triathlon destination as well. In addition to several locally sponsored races, the City for the second time welcomed the Toyota US Open Triathlon in fall 2011. The event saw more than 1,200 participants including a contingent of international Olympians take advantage of our lake access and terrain to complete the final event of the annual seven race series. The City has been notified the event plans to return for 2012. Early series races will be held in cities including Chicago, Miami, Minneapolis and Los Angeles culminating with the Rockwall race and the final prize standings.

#### Utilities

The water and sewer rates were last increased in 2010 and the City is implementing a 10% rate increase for 2012. The City purchases treated water as a founding member city of the North Texas Municipal Water District. Construction is nearing completion for the Squabble Creek sewer system which will connect to the regional sewer interceptor system in early 2012. A number of main extension projects continue to be undertaken to provide water and sewer service to annexed areas of the City.

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

The City is actively working to acquire the right to serve recently annexed areas which are currently served by wholesale water supply corporations and an investor owned utility. It remains the City's desire to be the provider for all residents in our city limits.

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 9-30-11(net of Debt Service)	\$110,097,474
Estimated Population	36,810
G.O. Debt Per Capita	\$2,991
Net G.O. Debt per Assessed Value	3.52%

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

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

## **AWARDS AND ACKNOWLEDGEMENTS**

### Awards:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgement:

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

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

Sincerely,



Richard R. Crowley  
Interim City Manager



Mary P. Smith, CPA  
Director of Finance

# 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, 2010

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.



*Linda C. Dandson*

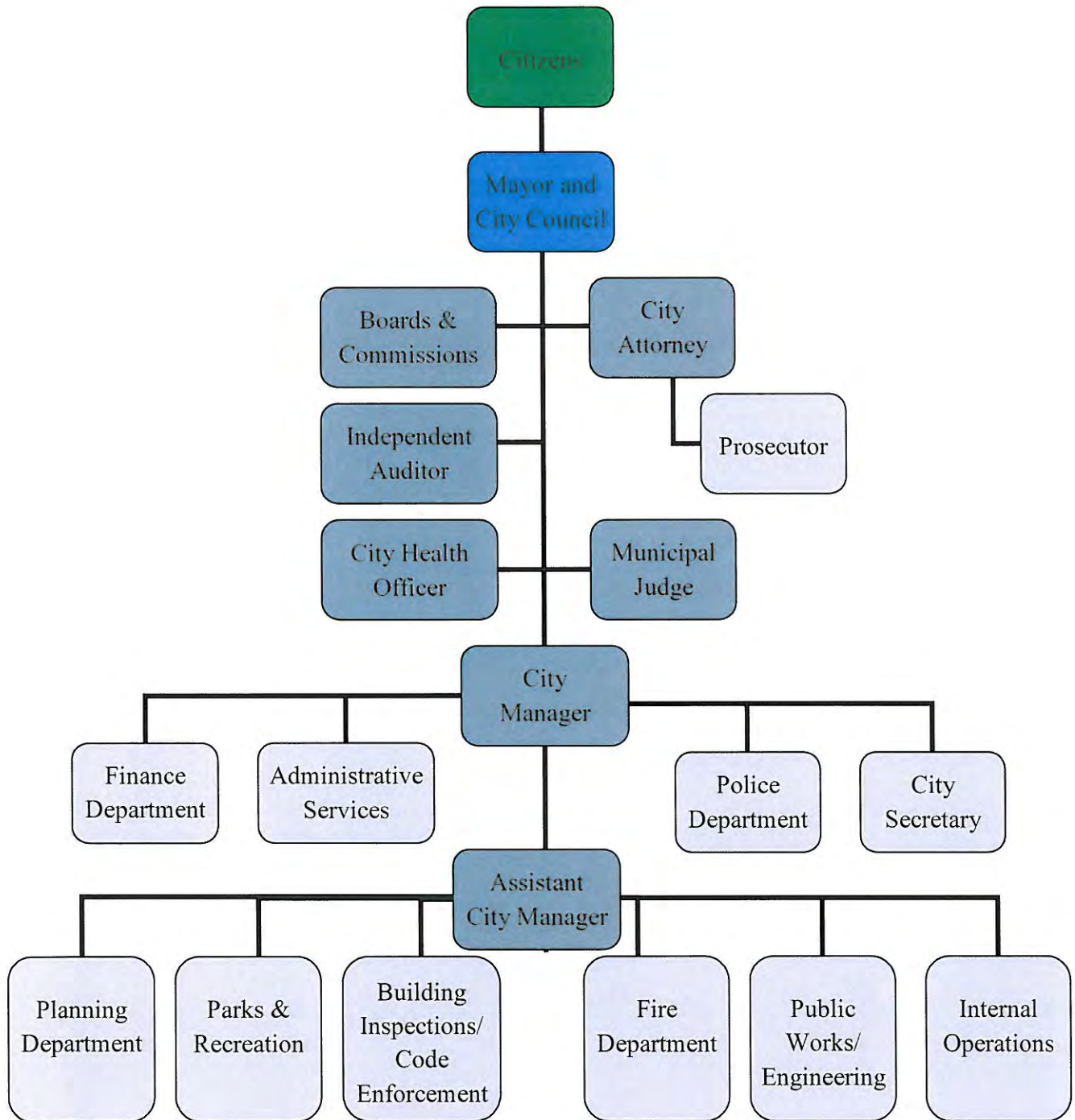
President

*Jeffrey R. Emer*

Executive Director



# City of Rockwall Organization Chart



CITY OF ROCKWALL, TEXAS

PRINCIPAL OFFICIALS

September 30, 2011

**City Council**

David Sweet, Mayor  
Mark Russo, Mayor Pro-Tempore  
Bennie Daniels, Councilmember  
Margo Nielsen, Councilmember  
Cliff Sevier, Councilmember  
Michelle Smith, Councilmember  
David White, Councilmember

**City Staff**

Rick Crowley, Interim 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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## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Rockwall, Texas

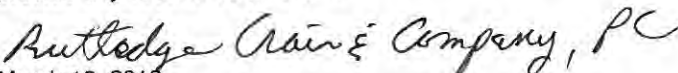
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rockwall, Texas, as of and for the year ended September 30, 2011, 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 19 through 29 and 75 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rockwall, Texas' financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The required supplementary information, and the combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The combining financial statements and individual fund budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

  
March 12, 2012

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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, 2011. Please read it in conjunction with the City’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The City’s total net assets were \$173,517,124 at September 30, 2011.
- During the year, the City’s expenses were \$1,061,378 less than the \$40,818,475 generated in taxes, other revenues and transfers 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, 2011 by \$106,259,888 (net assets). Of this amount \$13,400,417 (unrestricted net assets) may be used to meet the government’s ongoing obligations to citizens and creditors.
- At the end of this fiscal year, the unassigned fund balance for the general fund was \$10,085,001 or approximately 41.25 percent of the total general fund operating expenditures and transfers out.
- The City’s total outstanding general obligation bonds and certificates of obligation (excluding enterprise and component unit debt) increased by \$7,376,962 during fiscal year 2011. More detailed information is given in the notes section.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

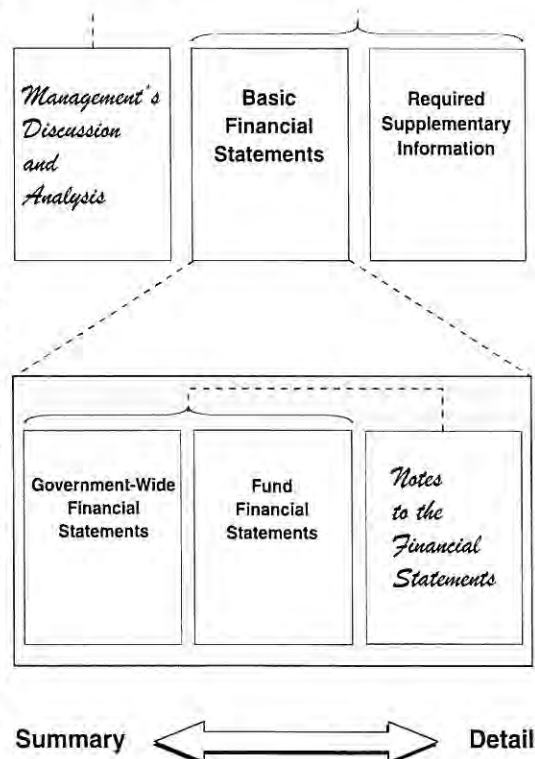
The remaining statements are fund financial statements that focus on individual parts of the government, reporting the City’s operations in more detail than the government-wide statements.

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

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

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

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





The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements 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 Type A Sales Tax Corporation known as the Rockwall Economic Development Corporation and the Rockwall Technology Park Association. Although legally separate, The City of Rockwall is financially accountable for these component units. The City Council appoints the component unit’s Board of Directors, sets the budget and approves any debt issuance.

The government-wide financial statements 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 21 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, Harbor/TIF Projects fund, and G.O. Bonds Capital Projects fund, which are considered major funds. Data from the other 17 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 2011, the City's net assets (assets exceeding liabilities) totaled \$173,517,124. 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 (86.0% percent) reflects its investment in capital assets (i.e., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets which is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1  
Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 37,436,167	\$ 215,690,227	\$ 16,369,447	\$ 22,378,392	\$ 53,805,614	\$ 238,068,619
Capital Assets	<u>187,275,164</u>	<u>186,559,440</u>	<u>92,286,719</u>	<u>88,232,301</u>	<u>279,561,883</u>	<u>274,791,741</u>
<b>Total Assets</b>	<u>224,711,331</u>	<u>215,692,237</u>	<u>108,656,166</u>	<u>110,610,693</u>	<u>333,367,497</u>	<u>512,860,360</u>
Non-current liabilities	114,930,360	107,375,817	39,106,304	42,006,013	154,036,664	149,381,830
Other liabilities	<u>3,504,431</u>	<u>3,117,880</u>	<u>2,292,626</u>	<u>2,754,762</u>	<u>5,797,057</u>	<u>5,872,642</u>
<b>Total Liabilities</b>	<u>118,434,791</u>	<u>110,493,697</u>	<u>41,398,930</u>	<u>44,760,775</u>	<u>159,833,721</u>	<u>155,254,472</u>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	91,085,278	89,101,460	58,139,970	54,288,096	149,225,248	143,389,556
Restricted for debt service	1,774,193	1,350,710	462,368	1,128,828	2,236,561	2,479,538
Restricted for capital projects	-	10,437,913	2,529,923	5,092,891	2,529,923	15,530,804
Unrestricted	<u>13,400,417</u>	<u>4,308,457</u>	<u>6,124,975</u>	<u>5,340,103</u>	<u>19,525,392</u>	<u>9,648,560</u>
<b>Total net assets</b>	<u>\$ 106,259,888</u>	<u>\$ 105,198,540</u>	<u>\$ 67,257,236</u>	<u>\$ 65,849,918</u>	<u>\$ 173,517,124</u>	<u>\$ 171,048,458</u>

An additional portion of the City of Rockwall's net assets, \$1,774,913 or 1.66% represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net assets, \$13,400,417, 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, 2011.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
<b>Program revenues:</b>						
Charges for services	\$ 3,203,842	\$ 3,086,929	\$ 14,706,570	\$ 11,932,337	\$ 17,910,412	\$ 15,019,266
Operating grants & contributions	366,656	56,783	-	-	366,656	56,783
Capital grants & contributions	4,525,403	4,439,998	2,157,402	1,992,680	6,682,805	6,432,678
<b>General Revenues:</b>						
Property taxes	17,204,239	16,735,510	-	-	17,204,239	16,735,510
Sales taxes	11,526,555	10,833,397	-	-	11,526,555	10,833,397
Other	<u>3,011,917</u>	<u>3,304,089</u>	<u>238,819</u>	<u>203,622</u>	<u>3,250,736</u>	<u>3,507,711</u>
Total revenues	39,838,612	38,456,706	17,102,791	14,128,639	56,941,403	52,585,345
<b>Program expenses:</b>						
Mayor/Council	111,494	116,372	-	-	111,494	116,372
Administration	7,183,587	6,881,788	-	-	7,183,587	6,881,788
Finance	1,331,943	1,294,888	-	-	1,331,943	1,294,888
Municipal Court	362,149	353,147	-	-	362,149	353,147
Police	8,422,736	8,609,827	-	-	8,422,736	8,609,827
Fire	2,734,296	2,741,288	-	-	2,734,296	2,741,288
Public works	8,009,435	6,669,448	-	-	8,009,435	6,669,448
Community development	1,203,407	1,210,519	-	-	1,203,407	1,210,519
Parks and recreation	5,843,647	5,805,241	-	-	5,843,647	5,805,241
Interest on long-term debt	4,554,433	4,717,319	-	-	4,554,433	4,717,319
Water and sewer	-	-	<u>14,715,610</u>	<u>13,916,192</u>	<u>14,715,610</u>	<u>13,916,192</u>
Total expenses	39,757,127	38,399,837	14,715,610	13,916,192	54,472,737	52,316,029
<b>Increase (decrease) in net assets</b>						
before transfers	81,485	56,869	2,387,181	212,447	2,468,666	269,316
Transfers	<u>979,863</u>	<u>1,511,785</u>	<u>(979,863)</u>	<u>(1,511,785)</u>	-	-
Increase (decrease) in net assets	1,061,348	1,568,654	1,407,318	(1,299,338)	2,468,666	269,316
Net assets, October 1	<u>105,198,540</u>	<u>103,629,886</u>	<u>65,849,918</u>	<u>67,149,256</u>	<u>171,048,458</u>	<u>171,048,458</u>
Net assets, September 30	<u>\$ 106,259,888</u>	<u>\$ 105,198,540</u>	<u>\$ 67,257,236</u>	<u>\$ 65,849,918</u>	<u>\$ 173,517,124</u>	<u>\$ 171,317,774</u>

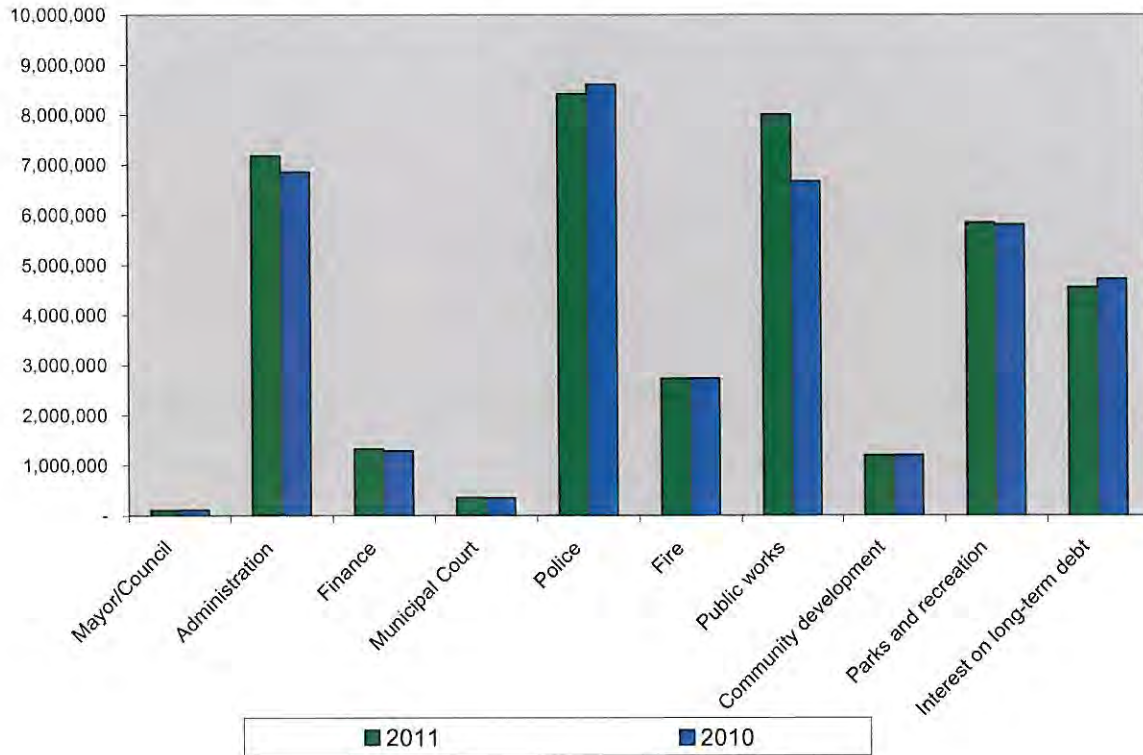
## Governmental Activities

The City's total revenues of governmental activities were \$39,855,264. A significant portion 43.2% of the City's revenues came from property taxes. Another 28.9% 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. Assessed values of the properties in the City increased by \$48,024,470 or 1.56%. The City adopted a property tax rate of 50.31 cents per \$100 of assessed valuation for fiscal year 2011. The rate has remained steady for three years. Sales tax revenue increased over the prior year by 6.4% and was reflective of the addition of more than 100,000 square feet of new retail businesses as well as an improving economy. The national decline in new housing starts had been felt on the local level with 2011 showing a 14.6% decrease in residential building permits but still higher than seen in years 2008-2009. Commercial development in 2011 increased with permit revenues increasing 17.6% over the 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 reflective of today’s interest rate environment.

**Comparative Expenses – Governmental Activities**



The total cost of all programs and services were \$39,757,127. Of these costs \$8,422,736 (21.2%) was for the Police Department. The department brought the city’s drug enforcement efforts in house after participation in a county-wide enforcement task force. Public Works costs were \$8,009,435 (20.2%) and reflected ongoing street and park maintenance focused projects. Administrative departments including Administration, Human Resources, and Internal Operations had combined costs of \$7,183,587 (18.1%).

**Business-Type Activities**

The City’s business-type activities recorded a decrease of \$1,407,774 in net assets. Retail water sales increased by 23.2% over the prior year due to an extremely hot and dry weather pattern in the area for most of 2011. The City’s rates were last increased in 2010 but an increase is expected for 2012. 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 \$14,706,570. The ending working capital, excluding restricted assets and liabilities payable from restricted assets, for the water and sewer fund was \$3,528,649.

Water and sewer impact fees (Capital recovery fees) revenue totaled \$494,357 for the fiscal year. Impact fees, paid by developers, are designed to reduce the system’s initial costs in building assets. Residential development is assessed an impact fee at the building permit stage while commercial projects are assessed at the beginning of site development.

The City’s water system maintains the “Superior” rating by the Texas Commission on Environmental Quality.

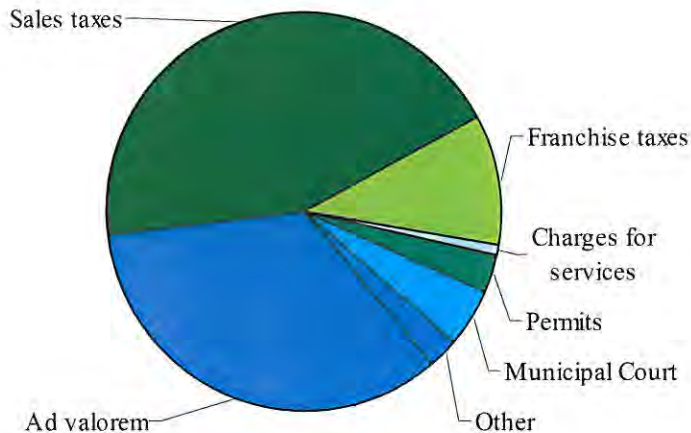
## Component Units

The Rockwall Economic Development Corporation (REDC) reported revenues primarily from a ½ cent sales tax, authorized under the Type A Corporation statutes, of \$3,702,718. Assets managed by the corporation include an inventory of over 310 acres of land, zoned for light industrial uses and available for sale. The REDC continues to attract companies to the City through its marketing efforts and ability to match businesses to available land.

## ANALYSIS OF INDIVIDUAL FUNDS

The City's *General Fund* reported an ending unassigned fund balance of \$10,085,001. The largest source of general fund revenue is sales tax, it accounted for \$10,972,918 (44.2%) of total general fund revenue. Ad valorem property taxes account for \$8,465,295 (34.1%) of general fund revenues. The City maintains the unassigned fund balance at or above acceptable levels as defined within the City's financial policies. This "reserve" balance allows the City Council to elect to fund projects unforeseen during the budgeting process and provides a measure of security against changes in the economy and the timing of cash flows.

### Revenues by Source – General Fund



The City's *Debt Service Fund* reported an increase in fund balance of \$331,242. Property tax collections for debt service requirements were \$8,182,218. This is required in order to pay debt service payments on bonds issued to construct numerous road and parks projects completed since the City's bond election in 2005 authorized more than \$65,031,000 in projects. After extensive study, the City adopted a Roadway Impact Fee which provided \$324,839 in new revenue to this fund in fiscal year 2011.

The *Harbor/TIF Projects Fund* reported an assigned fund balance of \$2,653,717. Certificates of Obligation in the principal amount of \$4,283,000 were issued in 2011 to allow the construction of streets and utility improvements in a portion of the City's Tax Increment Reinvestment Zone in conjunction with the development of an office tower. The *G.O. Bonds Capital Projects Fund* reported an assigned fund balance of \$8,932,608 including the \$7,135,000 proceeds from the issuance of city debt to fund the final stages of projects remaining from the 2005 bond election. This includes the reconstruction of Airport Road underway at this time and the anticipated start of the reconstruction of Corporate Crossing in early 2012.



## GENERAL FUND BUDGETARY HIGHLIGHTS

During fiscal year 2011, 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 \$22,157,000 increased to \$22,976,450 while revenues increased from \$23,335,700 to \$24,277,900. The City of Rockwall had originally estimated the ending general fund unassigned balance to be \$9,208,584 however due to the budget adjustments mentioned above and a planned reduction in fund balance for equipment for the police department, the fund balance was re-estimated to be \$8,970,234.

General fund revenues were \$24,823,994, an increase of \$546,094 over the amended budget estimate, reflecting strong sales tax collections in the latter months of the budget year. Actual general fund total expenditures were \$22,591,761 a decrease of \$384,689 less than final projections. This allowed the City to end the year with an unassigned fund balance of \$10,087,117, an increase of \$1,116,883 over the projected balance. The higher fund balance is attributable to management's conservative projections of both revenues and expenditures.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal year 2011 the City had \$279,561,833 (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	
	2011	2010	2011	2010	2011	2010
Land	\$ 14,102,412	\$ 13,867,438	\$ 799,533	\$ 799,533	\$ 14,901,945	\$ 14,666,971
Buildings	13,451,182	14,025,618	84,234	89,668	13,535,416	14,115,286
Improvements other than buildings	20,297,789	21,754,264	71,447,673	70,870,766	91,745,462	92,625,030
Machinery & Equipment	4,358,962	5,020,277	1,064,379	714,704	5,423,341	5,734,981
Infrastructure	123,244,231	126,863,500	-	-	123,244,231	126,863,500
Construction in Progress	11,820,588	5,028,343	11,286,154	7,904,039	23,106,742	12,932,382
Sewage treatment facilities	-	-	7,604,746	7,853,592	7,604,746	7,853,592
	<u>\$ 187,275,164</u>	<u>\$ 186,559,440</u>	<u>\$ 92,286,719</u>	<u>\$88,232,302</u>	<u>\$279,561,883</u>	<u>\$274,791,742</u>

The City's ongoing capital improvement program included a number of voter authorized projects to construct new streets and reconstruct several older city streets. Many of those projects were completed prior to 2011. New projects underway in 2011 and reflected in the increase in construction in progress above include the widening of Airport Road and the design of Corporate Crossing. A number of drainage projects were anticipated during the five-year planned capital improvement period and continue in various stages of progress.

The City held a bond election in November 2005 which funded road, park and fire projects in excess of \$65,031,000. 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 was 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.

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 into 2011.

Additional information regarding the City's capital assets is found in note IV-D on pages 57-59.

Debt

At year end, the City had \$151,981,669 in bonds and capitalized leases shown in Table 4.

**Table 4  
City of Rockwall Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 88,473,746	\$ 83,271,784	\$ 91,254	\$ 113,216	\$ 88,565,000	\$ 83,406,962
Certificates of obligation	23,050,000	20,875,000	28,205,000	25,005,000	51,255,000	46,765,000
Revenue bonds	-	-	5,215,000	10,775,000	5,215,000	10,775,000
Capital Lease obligations	236,589	278,034	6,710,080	7,080,084	6,946,669	7,358,117
	<u>\$ 111,760,335</u>	<u>\$ 104,424,818</u>	<u>\$ 40,221,334</u>	<u>\$ 43,880,261</u>	<u>\$ 151,981,669</u>	<u>\$ 148,305,079</u>

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of net tax-supported bonded debt to assessed value of all taxable property is 3.52% or \$2,991 per capita. This is an increase from the prior year due to issuance of debt in 2011. The City completed an advance refunding of certain obligations to restructure repayment terms and lower interest costs.

The City's bond ratings at September 30, 2011 were as follows:

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

Additional information on the City of Rockwall's long-term debt can be found in note IV-F, on pages 60-67 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 2012 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 recovering national economy. Rockwall saw a number of new commercial/retail business openings in 2011 which would positively impact sales tax revenues in fiscal year 2012. With this in mind but to continue the City's conservative budget philosophy, sales tax projections were increased by only 2%. Slowed development caused the City to be very conservative in projecting building permit revenues as well. Commercial building starts were better in 2011 and a number of new projects are in the early planning stages which should positively impact permit revenues in 2012. Interviews with local builders led the City to project



continued slow home starts for the coming year but developers are anticipating the start of new subdivision phases in 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 6.7%, well below the national levels.

The City of Rockwall considered these factors when adopting the General Fund budget for fiscal year 2012. The budgeted revenues for fiscal year 2012 total \$24,393,000 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. While new debt was issued in 2011, the issuance will be significantly less than in years 2006 – 2009 due to completion of the majority of voter approved projects. The property tax rate was maintained at 50.31 cents per hundred dollars of assessed value.

The City adopted written financial policies in 2001 which require that revenues and expenditures be projected conservatively. The policies include debt level guidelines. These policies were reviewed by the City Council in 2009 and certain provisions related to the City's fund balance were changed. The amended policy provides that the General Fund reserves should be no less than 3 months of recurring operating appropriations. In addition, the policies provide that should an audited fund balance at the end of the fiscal year exceed 3.5 months, the City Council may elect to transfer a portion to a Capital Projects Fund. The budget as adopted for fiscal year 2012 projects a fund balance of approximately 4.9 months of recurring operating expenditures. The City anticipates the purchase and renovation of property to relocate our municipal court operations and the expansion/remodel of the police building with a portion of these available reserves.

The 2012 budget expenditures includes absorbing the increasing costs of employee health and retirement costs as well as increasing street maintenance expenditures and re-implementing the previously frozen employee merit system. Facility projects to install energy efficient lighting will be undertaken with grant funding. The budget did not include other significant new programs due to budgetary constraints.

The water and sewer rate study has been updated and the budget anticipates a 10% increase in those rates. A number of capital projects to continue system expansion and the system are being planned for fiscal year 2012. The City will closely monitor revenues due to the conservation measures now in effect due to drought conditions and water shortages. This will have a significant effect on revenues if it continues into the summer months of 2012. Operational costs will be closely monitored and controlled to reflect this anticipated reduction in available revenues.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances. For more information contact the City's 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, 2011

	Governmental Activities	Primary Government Business-type Activities	Total	Component Units
<b>ASSETS</b>				
<i>Cash and cash equivalents</i>	\$ 829,341	\$ 86,590	\$ 915,931	\$ 4,893
<i>Investments</i>	30,493,522	3,061,846	33,555,368	4,972,515
<i>Receivables (net of allowances for uncollectibles)</i>	2,634,978	2,501,417	5,136,395	10,684
<i>Internal balances</i>	--	--	--	--
<i>Due from other governments</i>	1,893,089	--	1,893,089	631,049
<i>Inventories</i>	2,116	277,965	280,081	13,874,711
Restricted assets:				
<i>Cash and cash equivalents</i>	--	1,625,403	1,625,403	--
<i>Investments</i>	--	8,380,773	8,380,773	--
<i>Accrued interest</i>	--	10,440	10,440	--
<i>Deferred charges</i>	1,566,469	425,013	1,991,482	160,260
Capital assets (net of accumulated depreciation)				
<i>Land</i>	14,102,412	799,533	14,901,945	--
<i>Buildings and system</i>	13,451,182	79,136,653	92,587,835	--
<i>Improvements other than buildings</i>	20,297,789	--	20,297,789	--
<i>Machinery and equipment</i>	4,358,962	1,064,379	5,423,341	15,500
<i>Infrastructure</i>	123,244,231	--	123,244,231	--
<i>Construction in progress</i>	11,820,588	11,286,154	23,106,742	--
<b>Total Assets</b>	<b>224,694,679</b>	<b>108,656,166</b>	<b>333,350,845</b>	<b>19,669,612</b>
<b>LIABILITIES</b>				
<i>Accounts payable and accrued liabilities</i>	3,310,087	873,146	4,183,233	184,405
<i>Unearned revenue</i>	38,979	--	38,979	--
<i>Due to other governments</i>	155,365	--	155,365	--
<i>Customer deposits</i>	--	330,130	330,130	--
<i>Liabilities payable from restricted assets -</i>				
<i>Due within one year</i>	--	1,089,350	1,089,350	--
Noncurrent liabilities:				
<i>Due within one year</i>	5,417,225	1,137,761	6,554,986	1,200,786
<i>Due in more than one year</i>	109,513,135	37,968,543	147,481,678	17,353,182
<b>Total Liabilities</b>	<b>118,434,791</b>	<b>41,398,930</b>	<b>159,833,721</b>	<b>18,738,373</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	91,085,278	58,139,970	149,225,248	15,500
Restricted For:				
Debt Service	1,774,193	462,368	2,236,561	--
Capital Projects	--	2,529,923	2,529,923	--
Unrestricted	13,400,417	6,124,975	19,525,392	915,739
<b>Total Net Assets</b>	<b>\$ 106,259,888</b>	<b>\$ 67,257,236</b>	<b>\$ 173,517,124</b>	<b>\$ 931,239</b>

The accompanying notes are an integral part of this statement.

**CITY OF ROCKWALL, TEXAS**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental Activities:				
Mayor/Council	\$ 111,494	\$ --	\$ --	\$ --
Administration	7,183,587	114,768	--	45,333
Finance	1,331,943	1,425	--	--
Municipal court	362,149	1,195,552	--	--
Police	8,423,470	550,947	347,124	--
Fire	2,734,296	126,635	9,532	--
Public works	8,008,701	55,316	--	4,455,561
Community development	1,203,407	792,029	10,000	--
Parks and recreation	5,843,647	367,170	--	24,509
Interest on long-term debt	4,554,433	--	--	--
Total governmental activities	39,757,127	3,203,842	366,656	4,525,403
Business-type Activities:				
Water and Sewer	14,715,610	14,706,570	--	2,157,402
Total Business-type Activities	14,715,610	14,706,570	--	2,157,402
Total Primary Government	\$ 54,472,737	\$ 17,910,412	\$ 366,656	\$ 6,682,805
<b>COMPONENT UNITS:</b>				
Economic Development Corporation	\$ 4,563,659	\$ --	\$ --	\$ --
Rockwall Technology Park Association	180,847	174,101	--	--
Total Component Units	\$ 4,744,506	\$ 174,101	\$ --	\$ --

General Revenues:

*Ad valorem taxes, penalty and interest*

*Sales Taxes*

*Franchise Taxes*

*Miscellaneous*

*Unrestricted Investment Earnings*

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
\$ (111,494)		\$ (111,494)	
(7,023,486)		(7,023,486)	
(1,330,518)		(1,330,518)	
833,403		833,403	
(7,525,399)		(7,525,399)	
(2,598,129)		(2,598,129)	
(3,497,824)		(3,497,824)	
(401,378)		(401,378)	
(5,451,968)		(5,451,968)	
(4,554,433)		(4,554,433)	
<u>(31,661,226)</u>		<u>(31,661,226)</u>	
	\$ 2,148,362	2,148,362	
	2,148,362	2,148,362	
<u>(31,661,226)</u>	<u>2,148,362</u>	<u>(29,512,864)</u>	
			\$ (4,563,659)
			(6,746)
			<u>(4,570,405)</u>
17,204,239	--	17,204,239	--
11,526,555	--	11,526,555	3,702,718
2,445,762	--	2,445,762	--
429,279	146,562	575,841	291
136,876	92,257	229,133	7,937
979,863	(979,863)	--	--
<u>32,722,574</u>	<u>(741,044)</u>	<u>31,981,530</u>	<u>3,710,946</u>
1,061,348	1,407,318	2,468,666	(859,459)
105,198,540	65,849,918	171,048,458	1,790,698
<u>\$ 106,259,888</u>	<u>\$ 67,257,236</u>	<u>\$ 173,517,124</u>	<u>\$ 931,239</u>



**CITY OF ROCKWALL, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2011**

	General Fund	Debt Service Fund
<b>ASSETS</b>		
<i>Cash and cash equivalents</i>	\$ 266,801	\$ 213,114
<i>Investments</i>	8,888,365	1,000,135
Receivables (net of allowances for uncollectibles):		
<i>Taxes - delinquent</i>	203,253	226,343
<i>Fines</i>	164,136	--
<i>Accrued interest</i>	19,338	--
<i>Accounts receivable</i>	63,501	--
<i>Assessments receivable</i>	--	--
<i>Other receivables</i>	226,234	--
<i>Due from other funds</i>	256,957	192,111
<i>Due from other governments</i>	1,845,068	--
<i>Inventory</i>	2,116	--
<b>Total Assets</b>	<b>\$ 11,935,769</b>	<b>\$ 1,631,703</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
<i>Accounts payable and accrued liabilities</i>	\$ 1,153,736	\$ --
<i>Deferred revenue</i>	539,552	205,431
<i>Due to other funds</i>	--	--
<i>Due to other governments</i>	155,364	--
<b>Total Liabilities</b>	<b>1,848,652</b>	<b>205,431</b>
Fund balances:		
<i>Nonspendable</i>	2,116	--
<i>Restricted</i>	--	1,426,272
<i>Committed</i>	--	--
<i>Assigned</i>	--	--
<i>Unassigned</i>	10,085,001	--
<b>Total fund balances</b>	<b>10,087,117</b>	<b>1,426,272</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,935,769</b>	<b>\$ 1,631,703</b>

The accompanying notes are an integral part of this statement.

Harbor/TIF Projects	G.O. Bonds Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 11,199	\$ 145,789	\$ 128,822	\$ 765,725
2,783,000	8,776,219	8,288,390	29,736,109
--	--	30,433	460,029
--	--	--	164,136
--	8,099	21,714	49,151
--	127,912	412,698	604,111
--	--	76,116	76,116
11,628	--	4,375	242,237
--	--	--	449,068
--	--	48,021	1,893,089
--	--	--	2,116
\$ 2,805,827	\$ 9,058,019	\$ 9,010,569	\$ 34,441,887
\$ 152,110	\$ 23,651	\$ 746,295	\$ 2,075,792
--	118,412	165,528	1,028,923
--	--	192,111	192,111
--	--	--	155,364
152,110	142,063	1,103,934	3,452,190
--	--	--	2,116
--	--	215,720	1,641,992
--	--	2,608,081	2,608,081
2,653,717	8,915,956	5,082,834	16,652,507
--	--	--	10,085,001
2,653,717	8,915,956	7,906,635	30,989,697
\$ 2,805,827	\$ 9,058,019	\$ 9,010,569	\$ 34,441,887

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**CITY OF ROCKWALL, TEXAS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 SEPTEMBER 30, 2011

Total fund balances - governmental funds balance sheet	\$ 30,989,697
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.	187,275,164
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	417,695
The assets and liabilities of internal service funds are included in governmental activities in the SNA.	201,322
Payables for bond principal which are not due in the current period are not reported in the funds.	(113,407,275)
Payables for capital leases which are not due in the current period are not reported in the funds.	(236,589)
Payables for bond interest which are not due in the current period are not reported in the funds.	(808,504)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(1,286,496)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	1,566,470
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	141,139
Franchise taxes receivable unavailable to pay for current period expenditures are not accrued in the funds.	976,156
Ambulance 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.	96,116
Contracts receivable unavailable to pay for current period expenditures are deferred in the funds.	216,581
Net assets of governmental activities - Statement of Net Assets	\$ 106,259,888

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, 2011**

	General Fund	Debt Service Fund
<b>Revenues:</b>		
<i>Ad valorem taxes, penalty and interest</i>	\$ 8,465,295	\$ 8,182,218
<i>Sales taxes</i>	10,972,918	--
<i>Franchise taxes</i>	2,604,569	--
<i>Charges for services</i>	249,117	--
<i>Permits</i>	765,500	--
<i>Municipal court</i>	1,157,838	--
<i>Intergovernmental</i>	416,046	--
<i>Interest income</i>	61,768	2,901
<i>Miscellaneous</i>	130,943	339,839
<i>Donations</i>	--	--
<b>Total revenues</b>	<b>24,823,994</b>	<b>8,524,958</b>
<b>Expenditures:</b>		
<b>Current:</b>		
<i>Mayor/Council Administration</i>	111,494	--
<i>Finance</i>	3,230,591	--
<i>Municipal court</i>	1,028,761	--
<i>Police</i>	335,082	--
<i>Fire</i>	7,839,488	87,296
<i>Public works</i>	2,142,078	--
<i>Community development</i>	2,122,710	--
<i>Parks and recreation</i>	1,178,982	--
<i> </i>	4,463,087	--
<b>Total current</b>	<b>22,452,273</b>	<b>87,296</b>
<b>Capital outlay:</b>		
<i>Administration</i>	139,488	--
<i>Finance</i>	--	--
<i>Police</i>	--	--
<i>Fire</i>	--	--
<b>Total capital outlay</b>	<b>139,488</b>	<b>--</b>
<b>Debt service:</b>		
<i>Principal</i>	--	4,128,038
<i>Interest</i>	--	3,970,282
<i>Fiscal charges</i>	--	8,100
<i>Bond issuance cost</i>	--	--
<b>Total debt service:</b>	<b>--</b>	<b>8,106,420</b>
<b>Total expenditures</b>	<b>22,591,761</b>	<b>8,193,716</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,232,233</b>	<b>331,242</b>
<b>Other financing sources (uses):</b>		
<i>Transfers in</i>	693,900	--
<i>Transfers from component unit</i>	--	--
<i>Transfers out</i>	(1,998,350)	--
<i>Issuance 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>	<b>(1,304,450)</b>	<b>--</b>
<b>Net change in fund balances</b>	<b>927,783</b>	<b>331,242</b>
<b>Fund balances, October 1</b>	<b>9,159,334</b>	<b>1,095,030</b>
<b>Fund balances, September 30</b>	<b>\$ 10,087,117</b>	<b>\$ 1,426,272</b>

The accompanying notes are an integral part of this statement.

Harbor/TIF Projects	G.O. Bonds Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ --	\$ --	\$ 682,469	\$ 17,329,982
--	--	553,637	11,526,555
--	--	--	2,604,569
--	--	460,890	710,007
--	--	--	765,500
--	--	--	1,157,838
--	--	61,991	478,037
--	32,373	39,836	136,878
--	--	190,597	661,379
--	--	364,975	364,975
--	32,373	2,354,395	35,735,720
--	--	--	111,494
10,587	--	161,615	3,402,793
--	--	182,500	1,211,261
--	--	--	335,082
--	--	55,496	7,982,280
--	--	3,934	2,146,012
--	--	--	2,122,710
--	--	--	1,178,982
--	--	127,074	4,590,161
10,587	--	530,619	23,080,775
3,930,324	452,077	2,646,337	7,168,226
--	--	101,525	101,525
--	--	274,821	274,821
--	--	266,400	266,400
3,930,324	452,077	3,289,083	7,810,972
--	--	150,000	4,278,038
--	--	600,019	4,570,301
458	2,600	42	11,200
53,076	92,966	4,858	150,900
53,534	95,566	754,919	9,010,439
3,994,445	547,643	4,574,621	39,902,186
(3,994,445)	(515,270)	(2,220,226)	(4,166,466)
--	224,000	238,550	1,156,450
2,300,000	--	--	2,300,000
--	--	(915,237)	(2,913,587)
4,283,000	7,135,000	1,792,000	13,210,000
97,204	327,778	8,897	433,879
(32,042)	(73,656)	(2,933)	(108,631)
--	(1,651,905)	--	(1,651,905)
6,648,162	5,961,217	1,121,277	12,426,206
2,653,717	5,445,947	(1,098,949)	8,259,740
--	3,470,009	9,005,584	22,729,957
\$ 2,653,717	\$ 8,915,956	\$ 7,906,635	\$ 30,989,697



**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, 2011

Net change in fund balances - total governmental funds	\$ 8,259,740
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	8,443,584
The depreciation of capital assets used in governmental activities is not reported in the funds.	(9,307,384)
Trade-in or disposal of capital assets decrease net assets in the SOA but not in the funds.	(576,037)
Donations of capital assets increase net assets in the SOA but not in the funds.	2,155,561
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(125,743)
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	150,899
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	4,278,038
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	41,445
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(90,482)
(Increase) decrease in accrued interest from beginning of period to end of period.	27,066
The net revenue (expense) of internal service funds is reported with governmental activities.	11,090
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(96,163)
Certain fine revenues are deferred in the funds. This is the change in these amounts this year.	61,755
Certain assessment revenues are deferred in the funds. This is the change in these amounts this year.	(15,448)
Revenues in the SOA for franchise taxes not providing current financial resources are not reported in the funds.	(158,807)
Proceeds of long-term debt is recognized as other financial resources in the funds but not revenue in the SOA.	(13,210,000)
Bond premiums are reported in the funds but not in the SOA.	(433,879)
Bond discounts are reported in the funds but not in the SOA.	108,631
Certain contracts receivable revenues are deferred in the funds. This is the change in these amounts this year.	(114,423)
Payments to bond escrow agent is recognized as other uses in the funds but not as an expense in the SOA.	1,651,905
Change in net assets of governmental activities - Statement of Activities	\$ <u>1,061,348</u>

The accompanying notes are an integral part of this statement.

## CITY OF ROCKWALL, TEXAS

## STATEMENT OF NET ASSETS

## PROPRIETARY FUNDS

SEPTEMBER 30, 2011

	Enterprise Fund Water and Sewer Fund	Internal Service Funds
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 86,590	\$ 63,614
Investments	3,061,846	757,413
Accounts receivable (net of allowance)	2,501,417	--
Other receivables	--	63,043
Inventory	277,965	--
Restricted assets:		
Cash and cash equivalents	1,625,403	--
Investments	8,380,773	--
Accrued interest	10,440	--
Total current assets	15,944,434	884,070
Noncurrent assets:		
Deferred charges	425,013	--
Capital assets not being depreciated	12,085,687	--
Capital assets being depreciated, net	80,201,032	--
Total noncurrent assets	92,711,732	--
Total Assets	\$ 108,656,166	\$ 884,070
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 873,146	\$ 425,791
Due to other funds	--	256,957
Customer deposits	330,130	--
General obligation bonds - current	1,081,962	--
Liability for compensated absences - current	12,817	--
Liabilities Payable From Restricted Assets:		
Revenue bonds payable - current	665,000	--
Obligations under capital leases - current	388,338	--
Accrued interest payable	36,012	--
Total current liabilities	3,387,405	682,748
Noncurrent Liabilities:		
General obligation bonds payable	27,214,292	--
Revenue bonds payable	4,374,377	--
Obligations under capital leases payable	6,321,742	--
Liability for compensated absences	101,114	--
Total noncurrent liabilities	10,797,233	--
Total Liabilities	41,398,930	682,748
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	58,128,392	--
Restricted for debt service	462,368	--
Restricted for construction	2,529,923	--
Unrestricted	6,136,553	201,322
Total Net Assets	\$ 67,257,236	\$ 201,322

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, 2011

	Enterprise Fund Water and Sewer Fund	Internal Service Funds
<b>OPERATING REVENUES:</b>		
<i>Charges for services</i>	\$ 14,706,571	\$ 505,811
<i>Reinsurance reimbursement</i>	-	155,477
<b>Total Operating Revenues</b>	<b>14,706,571</b>	<b>661,288</b>
<b>OPERATING EXPENSES:</b>		
<i>Personnel services</i>	1,905,271	-
<i>Contractual services</i>	7,913,192	3,410,686
<i>Materials and supplies</i>	417,307	-
<i>Operations</i>	159,687	-
<i>Utilities</i>	409,582	-
<i>Depreciation and amortization</i>	2,116,931	-
<b>Total Operating Expenses</b>	<b>12,921,970</b>	<b>3,410,686</b>
<b>Operating Income (Loss)</b>	<b>1,784,601</b>	<b>(2,749,398)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
<i>Capital recovery fees</i>	494,357	-
<i>Interest income</i>	92,257	2,252
<i>Miscellaneous income</i>	146,562	21,236
<i>Paying agent fees</i>	(5,572)	-
<i>Interest expense</i>	(1,788,068)	-
<b>Total Non-operating Revenues (Expenses)</b>	<b>(1,060,464)</b>	<b>23,488</b>
<b>Net Income (Loss) before Operating Transfers</b>	<b>724,137</b>	<b>(2,725,910)</b>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS:</b>		
<i>Capital contributions</i>	1,663,044	-
<i>Transfers in</i>	564,837	2,737,000
<i>Transfers from component unit</i>	-	-
<i>Transfers out</i>	(1,544,700)	-
<b>Total Transfers and Capital Contributions</b>	<b>683,181</b>	<b>2,737,000</b>
<b>Change in net assets</b>	<b>1,407,318</b>	<b>11,090</b>
<b>Net assets, October 1</b>	<b>65,849,918</b>	<b>190,232</b>
<b>Net assets, September 30</b>	<b>\$ 67,257,236</b>	<b>\$ 201,322</b>

The accompanying notes are an integral part of this statement.

## CITY OF ROCKWALL, TEXAS

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2011

	Business Type Activities Enterprise Water and Sewer Fund	Governmental Activities Internal Service Funds
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Customers	\$ 14,500,975	\$ 631,389
Cash Payments to Employees for Services	(1,901,533)	--
Cash Payments to Other Suppliers for Goods and Services	(9,365,587)	(3,259,901)
Net Cash Provided (Used) by Operating Activities	3,233,855	(2,628,512)
<b>Cash Flows from Non-capital Financing Activities:</b>		
Cash Paid to Other Funds	(1,544,700)	(260,517)
Cash Received From Other Funds	564,837	2,737,000
Net Cash Provided (Used) by Non-capital Financing Activities	(979,863)	2,476,483
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Proceeds from capital debt	4,130,000	--
Principal and Interest Paid	(7,998,278)	--
Capital recovery fees received	594,357	--
Acquisition or Construction of Capital Assets	(5,366,462)	--
Net Cash Provided (Used) for Capital & Related Financing Activities	(8,640,383)	--
<b>Cash Flows from Investing Activities:</b>		
Purchase of Investment Securities	(4,980,203)	(277,388)
Proceeds from Sale and Maturities of Securities	6,155,104	--
Interest and Dividends on Investments	92,257	2,441
Net Cash Provided (Used) for Investing Activities	1,267,158	(274,947)
Net Increase (Decrease) in Cash and Cash Equivalents	(5,119,233)	(426,976)
Cash and Cash Equivalents at Beginning of Year	14,083,189	970,614
Cash and Cash Equivalents at End of Year	8,963,956	543,638
<b>Cash Equivalents Included in Investments</b>	<b>(7,251,963)</b>	<b>(480,024)</b>
Net Cash and Cash Equivalents	\$ 1,711,993	\$ 63,614
<b>Reported on Statement of Net Assets</b>		
Unrestricted cash	\$ 86,590	\$ 63,614
Restricted cash	1,625,403	--
	\$ 1,711,993	\$ 63,614
<b>Reconciliation of Operating Income to Net Cash</b>		
<b>Provided by Operating Activities:</b>		
Operating Income (Loss)	\$ 1,784,601	\$ (2,749,398)
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities		
Depreciation	2,116,931	--
Miscellaneous Income	146,562	21,236
Change in Assets and Liabilities:		
Decrease (Increase) in Receivables	(361,748)	(51,135)
Decrease (Increase) in Inventories	(52,702)	--
Decrease (Increase) in Due From Other Governments	--	--
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(413,117)	150,785
Increase (Decrease) in Customer Deposits	9,590	--
Increase (Decrease) in Compensated Absences	3,738	--
Total Adjustments	1,449,254	120,886
Net Cash Provided (Used) by Operating Activities	\$ 3,233,855	\$ (2,628,512)
<b>Non-Cash Activities:</b>		
Capital Contributions	\$ 1,663,044	\$ --

The accompanying notes are an integral part of this statement.

**CITY OF ROCKWALL, TEXAS**

## STATEMENT OF FIDUCIARY NET ASSETS

## FIDUCIARY FUNDS

SEPTEMBER 30, 2011

	Agency Fund	Special Escrow Agency
<b>ASSETS</b>		
<i>Cash and cash equivalents</i>	\$ 171,974	
<i>Investments</i>	1,028,758	
<i>Accrued interest</i>	10,361	
Total Assets	1,211,093	
<b>LIABILITIES</b>		
<i>Due to developers</i>	1,211,093	
Total Liabilities	<u>1,211,093</u>	
<b>NET ASSETS</b>		
Total Net Assets	\$ --	

The accompanying notes are an integral part of this statement.

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2011

**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 nine 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, 2011, REDC owned the majority of the land and the board was therefore composed of REDC board members. When the park becomes 75% or more owned by private landowners, it will become an entity independent of the City. Until then, it is controlled by REDC, a discrete component unit of the City.

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, 2011 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, 2011

segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the economic *resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

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

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2011

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

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

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

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.

## CITY OF ROCKWALL, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

Year Ended September 30, 2011

- c. Other obligations, with finite maturity dates, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States or their respective agencies or instrumentalities.
- d. Obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent.
- e. Certificates of deposit issued by a state or national bank domiciled in the state of Texas or a savings bank domiciled in the state of Texas provided that they are:
  - (1) Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor,
  - (2) Secured by obligations outlined in items 1 – 4. The market value of all collateral must be marked to market on a daily basis and shall not be less than 102% of the principal amount of the certificate plus accrued interest, or
  - (3) Secured in any other manner in an amount provided by law for deposits of the City.
- 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.

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2011

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

2. Receivables and payables

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

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

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

Property taxes are levied on October 1 by the City based on the January 1 property values as assessed by the Rockwall 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, 2011

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

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

### 6. Compensated absences

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

### 7. Long-term obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net 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

Nonspendable Fund Balance Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed Fund Balance - Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through legislation, resolution or ordinance, unless the City Council removes or changes the specified use by taking the same type of action used to commit the amounts.

Assigned Fund Balance - Amounts that are constrained by the City Council, or by another City official or the finance division to which the City has delegated authority, that are to be used for specific purposes but are neither restricted nor committed.



**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2011

Unassigned Fund Balance - Amounts that are available for any purpose; these amounts can be reported only in the City's General Fund.

Fund balance amounts represent the nature of the net resources that are reported in a governmental fund. The City fund balance classifications include non-spendable resources, restricted, and non-restricted (committed, assigned and unassigned) amounts. When the City incurs an expenditure and both restricted and unrestricted amounts are available, the City considers restricted amounts to have been spent. When the City incurs an expenditure for an unrestricted amount, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts for purposes in which any of those unrestricted fund balance classifications could be used.

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

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net 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 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 \$1,566,470 difference are as follows:

Bonds issuance costs:	
City	<u>\$1,566,470</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 2011, individual amendments were not material in relation to the original appropriations. Any budgeted amounts appropriated at fiscal year-end and not spent automatically lapse.
6. The City did not adopt budgets for certain Special Revenue Funds. These unbudgeted Special Revenue Funds were as follows:

Emergency Siren Fund  
Downtown Improvement Fund  
Art in Public Places Fund  
Special Crimes Unit Fund

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2011

7. Capital Project funds were not budgeted. Since project length financial plans usually extend into two or more fiscal years, this makes comparisons confusing and misleading.

B. Deficit fund equity

The following fund had a deficit fund balance at September 30, 2011:

Employee Benefits Internal Service Fund	\$536,851
---	-----------

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, 2011, 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 \$1,099,365 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, 2011, 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, 2011

Investments

At September 30, 2011, the City's investments were:

	Carrying Value	Maturity (months)			
		Less than 1	2-6	7-12	13-18
<b>Primary Government</b>					
U.S. Government Agencies					
Federal Home Loan Mortgage Corp.	\$3,262,107	\$ --	\$ --	\$ --	\$3,262,107
Federal National Mortgage Asso.	12,408,321	--	--	4,993,608	7,414,713
Treasury bills and notes	1,496,841	--	--	--	1,499,855
	17,167,269	--	--	4,993,608	12,176,675
Money Market Funds	25,797,630	25,797,630	--	--	--
Total Primary Government	42,964,899	25,797,630	--	4,993,608	12,176,675
<b>Discrete Component Units</b>					
Rockwall Economic Development Corporation					
Money Market Funds	4,932,135	4,932,135	--	--	--
Rockwall Technology Park					
Money Market Funds	40,380	40,380	--	--	--
Total Discrete Component Units	4,972,515	4,972,515	--	--	--
Total Reporting Entity	\$47,937,414	\$30,770,145	\$ --	\$4,993,608	\$12,176,675

Investments are reported in the

Statement of net assets as follows:

Governmental activities	\$30,493,522
Business-type activities	11,442,619
Fiduciary Fund	1,028,758

Discrete component units:

Rockwall Economic Development Corporation	
Development Corporation	4,932,135
Rockwall Technology Park	40,380
	<u>\$47,937,414</u>

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

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2011

B. Receivables

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

	General	Debt Service	GO Bonds Capital	Nonmajor and Other	Water and Sewer	Internal Service
Taxes receivable - delinquent	\$203,253	\$226,343	\$ --	\$30,433	\$ --	\$ --
Fines receivable	\$273,561	\$ --	\$ --	\$ --	\$ --	\$ --
Allowance for uncollectibles	(109,425)	--	--	--	--	--
	\$164,136	\$ --	\$ --	\$ --	\$ --	\$ --
Accrued Interest	\$19,338	\$ --	\$8,099	\$21,714	\$10,440	\$ --
Accounts receivable	\$63,501	\$ --	\$127,912	\$412,698	\$3,100,196	\$ --
Allowance for uncollectibles	--	--	--	--	(598,779)	--
Net other receivables	\$63,501	\$ --	\$127,912	\$412,698	\$2,501,417	\$ --
Assessments receivable	\$ --	\$ --	--	\$76,116	\$ --	\$ --
Other receivables	\$226,234	\$11,628	\$ --	\$4,375	\$ --	\$63,043

C. Deferred/Unearned Revenue

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

	Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	\$181,832	\$ --
Contract receivable not yet due (General Fund)	216,581	--
Fines receivable (General Fund)	141,139	--
Delinquent property taxes receivable (Debt Service Fund)	205,431	--
Delinquent property taxes receivable (Harbor Debt Service)	30,433	--
Assessments receivable not yet due (Street improvements)	96,116	--
Contributions not yet received (Street Improvements)	118,412	--
Seizures not awarded (Special Crimes Unit)	38,979	38,979
Total deferred/unearned revenue for governmental funds	\$1,028,923	\$38,979

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2011

D. Capital assets

Capital asset activity for the year ended September 30, 2011:

Primary Government

	Balance 9/30/10	Additions	Retirements	Completed Construction	Balance 9/30/11
<b>GOVERNMENTAL ACTIVITIES:</b>					
Capital assets, not being depreciated:					
Land	\$13,867,438	\$234,974	\$ --	--	\$14,102,412
Construction in progress	5,028,343	7,425,817	(554,037)	(79,535)	11,820,588
Total capital assets not being depreciated	18,895,781	7,660,791	(554,037)	(79,535)	25,923,000
Capital assets, being depreciated:					
Buildings	17,320,974	139,488	--	--	17,460,462
Improvements other than buildings	26,755,323	--	--	--	26,755,323
Machinery and equipment	13,247,315	621,305	(403,941)	--	13,464,679
Infrastructure	174,442,217	2,155,561	--	79,535	176,677,313
Total capital assets being depreciated	231,765,829	2,916,354	(403,941)	79,535	234,357,777
Less accumulated depreciation for:					
Buildings	(3,295,356)	(713,924)	--	--	(4,009,280)
Improvements other than buildings	(5,001,059)	(1,456,475)	--	--	(6,457,534)
Machinery and equipment	(8,227,038)	(1,236,610)	357,931	--	(9,105,717)
Infrastructure	(47,578,717)	(5,854,365)	--	--	(53,433,082)
Total accumulated depreciation	(64,102,170)	(9,261,374)	357,931	--	(73,005,613)
Total capital assets being depreciated, net	167,663,659	(6,345,020)	(46,010)	79,535	161,352,164
Governmental activities capital assets, net	\$186,559,440	\$1,315,771	(\$600,047)	\$ --	\$187,275,164

**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2011

	Balance 9/30/10	Additions	Retirements	Completed Construction	Balance 9/30/11
<b>BUSINESS-TYPE ACTIVITIES:</b>					
Capital assets, not being depreciated:					
Land	\$799,533	--	--	--	\$799,533
Construction in progress	7,904,039	3,686,673	--	(304,558)	11,286,154
Total capital assets not being depreciated	8,703,572	3,686,673	--	(304,558)	12,085,687
Capital assets, being depreciated:					
Buildings	198,109	--	--	--	198,109
Improvements other than buildings	86,225,347	2,324,664	--	--	88,550,011
Sewage treatment plants and pump station	12,516,072	--	--	--	12,516,072
Machinery and equipment	4,139,873	138,006	(15,674)	304,558	4,566,763
Total capital assets being depreciated	103,079,401	2,462,670	(15,674)	304,558	105,830,955
Less accumulated depreciation for:					
Buildings	(108,441)	(5,434)	--	--	(113,875)
Improvements other than buildings	(15,354,584)	(1,747,754)	--	--	(17,102,338)
Sewage treatment plants and pump station	(4,662,479)	(248,847)	--	--	(4,911,326)
Machinery and equipment	(3,425,167)	(92,891)	15,674	--	(3,502,384)
Total accumulated depreciation	(23,550,671)	(2,094,926)	15,674	--	(25,629,923)
Capital assets being depreciated, net	79,528,730	367,744	--	304,558	80,201,032
Business type activities capital assets, net	\$88,232,302	\$4,054,417	\$ --	\$ --	\$92,286,719

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

Governmental activities:

Administration	\$769,545
Finance	84,256
Municipal court	21,208
Police	458,433
Fire	655,846
Public works	5,953,729
Community development	25,717
Parks and recreation	1,292,640
Total depreciation expense - governmental activities	<u>\$9,261,374</u>

Business-type activities:

Water and sewer	<u>\$2,094,926</u>
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**CITY OF ROCKWALL, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended September 30, 2011

Construction commitments

The City has active construction projects as of September 30, 2011. The projects include street construction, parking improvements, water system improvements, and sewer system improvements.

Project	Spent to Date	Remaining Commitment
Street improvements	\$5,547,550	\$2,124,180
Utility improvements	1,213,466	140,624
Harbor project	1,069,225	3,541,137
Air conditioner system	53,616	13,704
	\$7,883,857	\$5,819,645

The street improvements, and harbor project improvements are being financed by bond proceeds. The commitment for utility improvements are being financed by bond proceeds. The air conditioner replacement is being financed by a grant.

Discretely presented component units - Rockwall Economic Development Corporation:

	Balance 9/30/10	Additions	Retirements	Completed Construction	Balance 9/30/11
Capital assets, being depreciated:					
Furniture and fixtures	\$85,421	\$3,158	--	--	\$88,579
Total capital assets being depreciated	85,421	3,158	--	--	88,579
Less accumulated depreciation for:					
Furniture and fixtures	(70,823)	(2,256)	--	--	(73,079)
Total accumulated depreciation	(70,823)	(2,256)	--	--	(73,079)
Total capital assets being depreciated, net	\$14,598	\$902	--	--	\$15,500

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2011

E. Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2011, is as follows:

Fund	Receivable	Payable
General Fund	\$256,957	\$ --
Debt Service Fund	192,111	--
Nonmajor governmental funds	--	192,111
Internal Service Funds	--	256,957
Total Internal Service Funds	449,068	449,068
Totals	\$449,068	\$449,068

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

The composition of interfund transfers for the year ended September 30, 2011, is as follows:

Fund	Transfer In	Transfer Out
Major Governmental Funds		
General Fund	\$693,900	\$1,998,350
G.O. Bonds Capital Projects	224,000	--
Nonmajor Governmental Funds	238,550	915,237
Water and Sewer Enterprise Fund	564,837	--
Internal Service Funds	2,737,000	1,544,700
Totals	\$4,458,287	\$4,458,287

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

F. Long-term debt

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

**CITY OF ROCKWALL, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended September 30, 2011

General Obligation Debt Outstanding as of September 30, 2011, is as follows:

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 9/30/11
<b>Governmental Activities</b>					
General Obligation Bonds:					
Refunding	4,024,394	2003	2015	2.00%-4.00%	1,263,746
Refunding and Improvements	13,345,000	2005	2025	3.00%-4.50%	11,055,000
Improvements	35,775,000	2006	2036	4.50%-5.50%	31,190,000
Improvements	21,765,000	2007	2037	5.13%-6.13%	19,780,000
Improvements	9,515,000	2008	2028	2.05%-2.50%	8,560,000
Improvements	9,065,000	2009	2029	2.00%-4.60%	8,090,000
Improvements and refunding	8,535,000	2011	2031	2.00%-5.00%	8,535,000
<b>Total General Obligation Bonds</b>					<b>88,473,746</b>
Certificates of Obligation Bonds:					
Improvements	4,295,000	2002	2012	2.80%-3.80%	125,000
Improvements	12,415,000	2005	2025	3.00%-5.00%	9,995,000
Improvements	5,270,000	2006	2026	4.25%-5.00%	3,680,000
Improvements	395,000	2008	2028	3.00%-5.00%	105,000
Improvements	5,125,000	2009	2029	2.00%-4.60%	4,470,000
Improvements	5,125,000	2011	2031	2.00%-4.25%	4,675,000
<b>Total Certificates of Obligation</b>					<b>23,050,000</b>
<b>Total Governmental Activities General Obligation Debt</b>					<b>111,523,746</b>
<b>Business-type Activities:</b>					
General Obligation Bonds:					
Refunding	300,606	2003	2015	2.00%-4.00%	91,254
Certificates of Obligation:					
Improvements	10,310,000	2007	2027	4.25%-4.50%	8,890,000
Improvements	16,895,000	2008	2028	3.00%-5.00%	15,185,000
Improvements	16,895,000	2008	2028	3.00%-5.00%	4,130,000
<b>Total Certificates of obligation</b>					<b>28,205,000</b>
<b>Total business-type general obligation debt</b>					<b>28,296,254</b>
<b>Total General Debt</b>					<b>\$139,820,000</b>

**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2011

Annual debt service requirements to maturity for general debt:

Year	Governmental Activities		Business Type Activities		Total
	Principal	Interest	Principal	Interest	
2012	\$4,933,038	\$4,930,416	\$1,081,962	\$1,222,827	\$12,168,243
2013	5,068,038	4,412,246	1,136,962	1,168,949	11,786,195
2014	5,788,038	4,518,584	1,501,962	1,128,949	12,937,533
2015	6,014,632	4,294,398	1,580,368	1,075,060	12,964,458
2016	5,805,000	4,046,250	1,615,000	1,018,495	12,484,745
2017-2021	28,985,000	16,454,512	9,040,000	4,103,475	58,582,987
2022-2026	29,905,000	9,984,366	9,070,000	2,060,542	51,019,908
2027-2031	14,925,000	4,234,406	3,270,000	214,200	22,643,606
2032-2036	9,180,000	1,544,430	--	--	10,724,430
2037	920,000	43,700	--	--	963,700
<b>Total</b>	<b>\$111,523,746</b>	<b>\$54,463,308</b>	<b>\$28,296,254</b>	<b>\$11,992,497</b>	<b>\$206,275,805</b>

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 9/30/11
Revenue Bonds					
Improvements	\$6,700,000	2002	2022	4.00%-4.90%	\$645,000
Refunding and improvements	6,415,000	2005	2025	3.00%-4.50%	4,570,000
Total Revenue Bonds					5,215,000
Less unamortized premium (discount) on bonds					(193,106)
Total Revenue Bonds					<u>\$5,021,894</u>

**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2011

Revenue bond debt service requirements to maturity are as follows:

Year	Water and Sewer Fund		Total
	Principal	Interest	
2012	\$665,000	\$219,253	\$884,253
2013	685,000	191,306	876,306
2014	370,000	163,019	533,019
2015	260,000	147,294	407,294
2016	270,000	136,894	406,894
2017-2021	1,510,000	512,732	2,022,732
2022-2025	1,455,000	164,276	1,619,276
Total	5,215,000	\$ 1,534,774	\$6,749,774
Unamortized Discount	<u>(193,106)</u>		
Total Revenue bonds	<u>\$5,021,894</u>		

Capitalized Lease Obligations

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

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.

Capitalized lease obligations outstanding at September 30, 2011 are as follows:

Purpose	Original Amount	Year Issue	Final Maturity	Interest Rate	Balance 9/30/11
<b>Capital Leases</b>					
Governmental activities					
Public safety computer upgrade	\$330,870	2010	2016	4.45%	<u>\$236,589</u>
Business-type activities					
South Plant Improvements	\$1,800,000	1996	2016	various	650,000
Ground Storage Facility	2,013,434	2005	2025	various	1,580,000
Pump Station	2,145,000	2006	2026	various	1,800,000
Buffalo Creek Plant	2,960,000	2008	2028	various	2,680,000
					<u>6,710,000</u>
Total Capitalized Lease Obligations					<u>\$6,946,589</u>

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2011

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

Year	Governmental Activities	Business-type Activities	Total
2012	\$53,818	\$715,125	\$768,943
2013	53,818	720,501	774,319
2014	53,818	714,226	768,044
2015	53,818	712,304	766,122
2016	53,818	717,674	771,492
2017-2021	--	2,833,693	2,833,693
2022-2026	--	2,710,594	2,710,594
2027	--	494,674	494,674
Total payments	269,090	9,618,791	9,887,881
Less imputed interest	(32,501)	(2,908,791)	(2,941,292)
Total Capital Lease Obligations	<u>\$236,589</u>	<u>\$6,710,000</u>	<u>\$6,946,589</u>

**CHANGES IN LONG-TERM LIABILITIES**

During the year ended September 30, 2011, the following changes occurred in liabilities reported in the capital long-term debt:

	Balance 9/30/10	Additions	Retirements	Balance 9/30/11	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$83,271,784	\$8,535,000	(\$3,333,038)	\$88,473,746	\$3,798,038
Certificates of obligation	20,875,000	4,675,000	(2,500,000)	23,050,000	1,135,000
Deferred amounts:					
Unamortized premium (discount)	1,783,124	330,291	(109,190)	2,004,225	97,804
Loss on refunding	(22,459)	(102,914)	4,678	(120,695)	(8,109)
Total bonds payable	105,907,449	13,437,377	(5,937,550)	113,407,276	5,022,733
Capital lease obligations	278,034	--	(41,445)	236,589	43,290
Compensated absences	1,190,335	1,100,709	(1,004,549)	1,286,495	351,202
Governmental activity Long-Term Liabilities	<u>\$107,375,818</u>	<u>\$14,538,086</u>	<u>(\$6,983,544)</u>	<u>\$114,930,360</u>	<u>\$5,417,225</u>



**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2011

	Balance 9/30/10	Additions	Retirements	Balance 9/30/11	Due Within One Year
<b>Business-type activities:</b>					
General obligation bonds	\$113,216	\$ --	(\$21,962)	\$91,254	\$21,962
Certificates of obligation	25,005,000	4,130,000	(930,000)	28,205,000	1,060,000
Revenue bonds	10,775,000	--	(5,560,000)	5,215,000	665,000
Unamortized premium (discount)	44,102	158,193	(9,189)	193,106	11,121
Loss on refunding	--	357,151	(15,930)	341,221	31,861
Total bonds payable	35,937,318	4,645,344	(6,537,081)	34,045,581	1,789,944
Capital lease obligations	7,080,083	--	(370,003)	6,710,080	388,338
Compensated absences	110,193	121,410	(117,673)	113,930	12,817
Business-type activities	<u>\$43,127,594</u>	<u>\$4,766,754</u>	<u>(\$7,024,757)</u>	<u>\$40,869,591</u>	<u>\$2,191,099</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 \$665,000 of revenue bonds and \$388,338 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, 2011, there was one series of revenue bonds outstanding. The aggregate principal amount payable for the issue was \$1,700,000. This bond was called for optional redemption on October 19, 2011.

**Authorized and Unissued Debt**

The following tables detail the status of all authorized general obligation and revenue bonded debt as of September 30, 2011:

Year Authorized	General Obligation Bonds		Balance
	Amount Authorized	Amount Issued	Unissued 9/30/11
1985	\$1,500,000	(\$600,000)	\$900,000
1994	4,100,000	(3,600,000)	500,000
	<u>\$5,600,000</u>	<u>(\$4,200,000)</u>	<u>\$1,400,000</u>

**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2011

Year Authorized	Revenue Bonds		Balance
	Amount Authorized	Amount Issued	Unissued 9/30/11
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%	\$2,675,000
\$4,545,000 Sales Tax Revenue Bonds, series 2008, payable in annual installments through August 1, 2028, interest payable at 7.00%	<u>4,150,000</u>
Total Sales Tax Revenue Bonds	<u>6,825,000</u>
\$3,225,000 Certificates of Obligation, series 2005, payable in annual installments through August 1, 2015, interest payable at 3.00% to 5.00%	1,460,000
\$5,540,000 Certificates of Obligation, series 2006, payable in annual installments through August 1, 2025, interest payable at 4.25% to 5.00%	4,585,000
\$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>5,510,000</u>
Total Certificates of Obligation	<u>11,555,000</u>
Total	<u>\$18,380,000</u>

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

Year	Governmental Activities		Total
	Principal	Interest	
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	1,380,000	762,507	2,142,507
2016	1,040,000	695,832	1,735,832
2017-2021	5,220,000	2,681,281	7,901,281
2022-2026	5,325,000	1,374,081	6,699,081
2027-2028	1,670,000	146,272	1,816,272
Total	<u>\$18,380,000</u>	<u>\$8,300,518</u>	<u>\$26,680,518</u>

**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2011

During the year ended September 30, 2011, the following changes occurred in liabilities reported in the capital long-term debt for REDC:

	Balance 9/30/10	Additions	Retirements	Balance 9/30/11	Due Within One Year
<b>Governmental activities:</b>					
Sales tax revenue bonds	\$7,220,000	\$ --	(\$395,000)	\$6,825,000	\$415,000
Certificates of obligation	12,295,000	--	(740,000)	11,555,000	770,000
Unamortized premium (discount)	163,924	--	(10,601)	153,323	10,602
Total bonds payable	19,678,924	--	(1,145,601)	18,533,323	1,195,602
Compensated absences	15,664	25,324	(20,343)	20,645	5,184
Total	\$19,694,588	\$25,324	(\$1,165,944)	\$18,553,968	\$1,200,786

V. OTHER INFORMATION

A. Risk management

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

The City uses a medical self-insurance fund to pay medical and dental claims of the City employees and their covered dependents and minimize the total cost of annual medical insurance to the municipality. Medical claims in any one year exceeding \$75,000 per covered individual or, approximately \$3,238,610 in the aggregate for the group, are covered through a private insurance carrier. Additionally, life insurance policy premiums for each employee are paid through the fund. The self-insurance fund is funded by operating transfers from other funds and charges to employees for extended benefits at their option. The City does not believe there are material claims incurred but not reported as of September 30, 2011.

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	
	2011	2010	2011	2010
Claims payable beginning of the year	\$148,015	\$173,703	\$15,403	\$17,454
Claims incurred	2,633,737	2,717,990	160,788	64,996
Payment on claims	(2,563,187)	(2,743,678)	(142,784)	(67,047)
	\$218,565	\$148,015	\$33,407	\$15,403

**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2011

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

B. North Texas Municipal Water District

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

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

The District has long-term contracts with the City to supply treated water and sewer treatment. The City's water contract with the District provides that the City pay a predetermined annual amount for treated water in twelve monthly installments. The amount of this annual payment is based upon an annually established rate per thousand gallons and the largest annual amount of water consumption of past years. The City owns one sewage treatment facility, Squabble Creek and, in 1978 entered into an agreement with the District for the construction of a second facility, Buffalo Creek. Under the terms of this agreement, the District issued contractually secured bonds in its name to construct and operate this sewage disposal plant for the City. In subsequent years, similar contractual agreements have been made to enable NTMWD to expand the sewage treatment facilities and continue to provide sewage treatment services to the City. Under the terms of these contracts, the City's payments, which began when the facilities were first utilized, are equal to the operating and maintenance expenses for the next ensuing calendar year, as shown in the Annual Budget. The contracts further provide that the debt service payments will be equal to the principal and/or interest coming due on the bonds on the next succeeding interest payment date, plus the fees and charges of the Paying Agent and the Registrar.

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

The outstanding principal balance on the bond issues as of September 30, 2011, is \$6,710,080. See Note IV F for the annual requirements to amortize the bonds as of September 30, 2011.

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.



**CITY OF ROCKWALL, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended September 30, 2011

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 \$28,296,254 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, 2011, these commitments totaled \$1,963,020.

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.

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.

**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2011

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, 2009 valuation is effective for rates beginning January 2011.

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

<u>Schedule of Actuarial Liabilities and Funding Progress</u>			
Actuarial Valuation Date	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
Actuarial Value of Asset	\$35,681,831	\$25,780,417	\$22,226,747
Actuarial Accrued Liabilities	\$50,277,529	\$40,255,888	\$35,689,690
Percentage Funded	71.0%	64.0%	62.3%
Unfunded (Over-funded) Actuarial			
Accrued Liability	\$14,595,698	\$14,475,471	\$13,462,943
Annual Covered Payroll	\$14,590,752	\$14,294,431	\$13,582,924
UAAL as a Percentage of Covered Payroll	100.2%	101.3%	99.1%
Net Pension Obligation (NPO)	\$ --	\$ --	\$ --



**CITY OF ROCKWALL, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended September 30, 2011

	Fiscal Year Ended September 30,		
	2011	2010	2009
Annual Required Contribution (ARC)	\$2,140,343	\$1,963,265	\$1,743,863
Interest on NPO	--	--	--
Adjustment to the ARC	--	--	--
	2,140,343	1,963,265	1,743,863
Contributions Made (100%)	2,140,343	1,963,265	1,743,863
Increase in NPO	--	--	--
NPO at the End of Period	\$ --	\$ --	\$ --

Texas Statewide Emergency Services Personnel Retirement Fund

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

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## *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, 2011**

**EXHIBIT B-1**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
<i>Ad valorem taxes, penalty and interest</i>	\$ 8,412,000	\$ 8,431,000	\$ 8,465,295	\$ 34,295
<i>Sales taxes</i>	10,137,000	10,684,000	10,972,918	288,918
<i>Franchise taxes</i>	2,425,000	2,538,000	2,604,569	66,569
<i>Charges for services</i>	149,100	195,400	249,117	53,717
<i>Permits</i>	647,250	719,750	765,500	45,750
<i>Municipal court</i>	1,020,000	1,156,000	1,157,838	1,838
<i>Intergovernmental</i>	408,350	397,750	416,046	18,296
<i>Interest income</i>	60,000	60,000	61,768	1,768
<i>Miscellaneous</i>	77,000	96,000	130,943	34,943
<b>Total revenues</b>	<b>23,335,700</b>	<b>24,277,900</b>	<b>24,823,994</b>	<b>546,094</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<i>Mayor/Council</i>	131,400	114,400	111,494	2,906
<i>Administration</i>	3,059,550	3,267,750	3,230,591	37,159
<i>Finance</i>	1,025,950	1,040,850	1,028,761	12,089
<i>Municipal court</i>	331,250	333,450	335,082	(1,632)
<i>Police</i>	7,635,200	7,843,300	7,839,488	3,812
<i>Fire</i>	2,244,950	2,237,750	2,142,078	95,672
<i>Public works</i>	2,115,750	2,169,750	2,122,710	47,040
<i>Community development</i>	1,166,600	1,209,550	1,178,982	30,568
<i>Parks and recreation</i>	4,446,350	4,619,650	4,463,087	156,563
<b>Total current</b>	<b>22,157,000</b>	<b>22,836,450</b>	<b>22,452,273</b>	<b>384,177</b>
<b>Capital outlay:</b>				
<i>Administration</i>	--	140,000	139,488	512
<b>Total capital outlay</b>	<b>--</b>	<b>140,000</b>	<b>139,488</b>	<b>512</b>
<b>Total expenditures</b>	<b>22,157,000</b>	<b>22,976,450</b>	<b>22,591,761</b>	<b>384,689</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,178,700</b>	<b>1,301,450</b>	<b>2,232,233</b>	<b>930,783</b>
<b>Other financing sources (uses):</b>				
<i>Transfers in</i>	668,900	668,900	693,900	25,000
<i>Transfers out</i>	(1,798,350)	(2,159,450)	(1,998,350)	161,100
<b>Total other financing sources (uses)</b>	<b>(1,129,450)</b>	<b>(1,490,550)</b>	<b>(1,304,450)</b>	<b>186,100</b>
<b>Net change in fund balances</b>	<b>49,250</b>	<b>(189,100)</b>	<b>927,783</b>	<b>1,116,883</b>
<b>Fund balances, October 1</b>	<b>9,159,334</b>	<b>9,159,334</b>	<b>9,159,334</b>	<b>--</b>
<b>Fund balances, September 30</b>	<b>\$ 9,208,584</b>	<b>\$ 8,970,234</b>	<b>\$ 10,087,117</b>	<b>\$ 1,116,883</b>

**CITY OF ROCKWALL, TEXAS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2011

(Unaudited)

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



*Combining Statements and Budget Comparisons  
as Supplementary Information*

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

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### *DEBT SERVICE FUNDS*

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

NONMAJOR GOVERNMENTAL FUNDS  
(Continued)

*CAPITAL PROJECTS FUNDS*

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

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

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

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

*INTERNAL SERVICE FUNDS*

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

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

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

*AGENCY FUND*

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

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

## CITY OF ROCKWALL, TEXAS

## COMBINING BALANCE SHEET

## NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2011

	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>	\$ 92,067	\$ --	\$ 36,755	\$ 128,822
<i>Investments</i>	2,687,275	--	5,601,115	8,288,390
Receivables (net of allowances for uncollectibles):				
<i>Taxes - delinquent</i>	--	30,433	--	30,433
<i>Accrued interest</i>	--	--	21,714	21,714
<i>Accounts receivable</i>	111,297	256,147	45,254	412,698
<i>Assessments receivable</i>	76,116	--	--	76,116
<i>Other receivables</i>	3,311	--	1,064	4,375
<i>Due from other governments</i>	--	48,021	--	48,021
<b>Total Assets</b>	<b>\$ 2,970,066</b>	<b>\$ 334,601</b>	<b>\$ 5,705,902</b>	<b>\$ 9,010,569</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
<i>Accounts payable and accrued liabilities</i>	\$ 123,227	\$ --	\$ 623,068	\$ 746,295
<i>Deferred revenue</i>	135,095	30,433	--	165,528
<i>Due to other funds</i>	--	192,111	--	192,111
<b>Total Liabilities</b>	<b>258,322</b>	<b>222,544</b>	<b>623,068</b>	<b>1,103,934</b>
<b>Fund balances:</b>				
<i>Restricted</i>	103,663	112,057	--	215,720
<i>Committed</i>	2,608,081	--	--	2,608,081
<i>Assigned</i>	--	--	5,082,834	5,082,834
<b>Total fund balances</b>	<b>2,711,744</b>	<b>112,057</b>	<b>5,082,834</b>	<b>7,906,635</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,970,066</b>	<b>\$ 334,601</b>	<b>\$ 5,705,902</b>	<b>\$ 9,010,569</b>

## CITY OF ROCKWALL, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Special Revenue Funds	Debt Service Fund Harbor Debt Service	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
<b>Revenues:</b>				
<i>Ad valorem taxes, penalty and interest</i>	\$ --	\$ 682,469	\$ --	\$ 682,469
<i>Sales taxes</i>	246,245	307,392	--	553,637
<i>Charges for services</i>	460,890	--	--	460,890
<i>Intergovernmental</i>	16,736	--	45,255	61,991
<i>Interest income</i>	2,502	--	37,334	39,836
<i>Miscellaneous</i>	153,643	36,954	--	190,597
<i>Donations</i>	364,975	--	--	364,975
<b>Total revenues</b>	<b>1,244,991</b>	<b>1,026,815</b>	<b>82,589</b>	<b>2,354,395</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<i>Administration</i>	161,615	--	--	161,615
<i>Finance</i>	182,500	--	--	182,500
<i>Police</i>	55,496	--	--	55,496
<i>Fire</i>	3,934	--	--	3,934
<i>Parks and recreation</i>	127,074	--	--	127,074
<b>Total current</b>	<b>530,619</b>	<b>--</b>	<b>--</b>	<b>530,619</b>
<b>Capital outlay:</b>				
<i>Administration</i>	1,228	--	2,645,109	2,646,337
<i>Finance</i>	--	--	101,525	101,525
<i>Police</i>	66,892	--	207,929	274,821
<i>Fire</i>	19,140	--	247,260	266,400
<b>Total capital outlay</b>	<b>87,260</b>	<b>--</b>	<b>3,201,823</b>	<b>3,289,083</b>
<b>Debt service:</b>				
<i>Principal</i>	--	150,000	--	150,000
<i>Interest</i>	--	600,019	--	600,019
<i>Fiscal charges</i>	--	--	42	42
<i>Bond issuance cost</i>	--	--	4,858	4,858
<b>Total debt service:</b>	<b>--</b>	<b>750,019</b>	<b>4,900</b>	<b>754,919</b>
<b>Total expenditures</b>	<b>617,879</b>	<b>750,019</b>	<b>3,206,723</b>	<b>4,574,621</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>627,112</b>	<b>276,796</b>	<b>(3,124,134)</b>	<b>(2,220,226)</b>
<b>Other financing sources (uses):</b>				
<i>Transfers in</i>	100,000	--	138,550	238,550
<i>Transfers out</i>	(336,200)	--	(579,037)	(915,237)
<i>Issuance of long-term debt</i>	--	--	1,792,000	1,792,000
<i>Premium on bonds issued</i>	--	--	8,897	8,897
<i>Discount on bonds issued</i>	--	--	(2,933)	(2,933)
<b>Total other financing sources (uses)</b>	<b>(236,200)</b>	<b>--</b>	<b>1,357,477</b>	<b>1,121,277</b>
<b>Net change in fund balances</b>	<b>390,912</b>	<b>276,796</b>	<b>(1,766,657)</b>	<b>(1,098,949)</b>
<b>Fund balances, October 1</b>	<b>2,320,832</b>	<b>(164,739)</b>	<b>6,849,491</b>	<b>9,005,584</b>
<b>Fund balances, September 30</b>	<b>\$ 2,711,744</b>	<b>\$ 112,057</b>	<b>\$ 5,082,834</b>	<b>\$ 7,906,635</b>

**CITY OF ROCKWALL, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2011

	Cemetery	Police Investigation	Recreational Development	Radio System
<b>ASSETS</b>				
<i>Cash and cash equivalents</i>	\$ 3,019	\$ 13,366	\$ 2,938	\$ 4,545
<i>Investments</i>	137,949	544,756	358,042	--
Receivables (net of allowances for uncollectibles):				
<i>Accounts receivable</i>	--	1,862	--	--
<i>Assessments receivable</i>	--	--	--	--
<i>Other receivables</i>	--	--	--	--
<b>Total Assets</b>	<b>\$ 140,968</b>	<b>\$ 559,984</b>	<b>\$ 360,980</b>	<b>\$ 4,545</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
<i>Accounts payable and accrued liabilities</i>	\$ --	\$ 114,720	\$ 8,507	\$ --
<i>Deferred revenue</i>	--	--	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>114,720</b>	<b>8,507</b>	<b>--</b>
Fund balances:				
<i>Restricted</i>	--	--	--	--
<i>Committed</i>	140,968	445,264	352,473	4,545
<b>Total fund balances</b>	<b>140,968</b>	<b>445,264</b>	<b>352,473</b>	<b>4,545</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 140,968</b>	<b>\$ 559,984</b>	<b>\$ 360,980</b>	<b>\$ 4,545</b>



Street Improvements	Hotel Motel Tax	Fire Equipment	Aviation	Recycling
\$ 22,459	\$ 1,874	\$ 22,016	\$ 2,571	\$ 3,594
1,033,997	11,911	241,059	54,999	53,140
20,000	66,339	23,096	--	--
76,116	--	--	--	--
--	--	--	--	3,311
\$ 1,152,572	\$ 80,124	\$ 286,171	\$ 57,570	\$ 60,045
\$ --	\$ --	\$ --	\$ --	\$ --
96,116	--	--	--	--
96,116	--	--	--	--
--	80,124	--	--	--
1,056,456	--	286,171	57,570	60,045
1,056,456	80,124	286,171	57,570	60,045
\$ 1,152,572	\$ 80,124	\$ 286,171	\$ 57,570	\$ 60,045

**CITY OF ROCKWALL, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2011

	Emergency Siren	Downtown Improvement
<b>ASSETS</b>		
<i>Cash and cash equivalents</i>	\$ 8,540	\$ 3,457
<i>Investments</i>	14,999	18,168
Receivables (net of allowances for uncollectibles):		
<i>Accounts receivable</i>	--	--
<i>Assessments receivable</i>	--	--
<i>Other receivables</i>	--	--
<b>Total Assets</b>	<b>\$ 23,539</b>	<b>\$ 21,625</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
<i>Accounts payable and accrued liabilities</i>	\$ --	\$ --
<i>Deferred revenue</i>	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>--</b>
Fund balances:		
<i>Restricted</i>	23,539	--
<i>Committed</i>	--	21,625
<b>Total fund balances</b>	<b>23,539</b>	<b>21,625</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 23,539</b>	<b>\$ 21,625</b>

	Art in Public Places	Special Crimes Unit	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$	1,182	\$	92,067
	--	218,255	2,687,275
	--	--	111,297
	--	--	76,116
	--	--	3,311
\$	<u>1,182</u>	\$	<u>2,970,066</u>
\$	--	\$	123,227
	--	38,979	135,095
	--	<u>38,979</u>	<u>258,322</u>
	--	--	103,663
	1,182	181,782	2,608,081
	<u>1,182</u>	<u>181,782</u>	<u>2,711,744</u>
\$	<u>1,182</u>	\$	<u>2,970,066</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, 2011

	Cemetery	Police Investigation	Recreational Development	Radio System
<b>Revenues:</b>				
Sales taxes	\$ --	\$ --	\$ --	\$ --
Charges for services	1,425	61,983	265,451	31,812
Intergovernmental	--	16,736	--	--
Interest income	--	--	--	--
Miscellaneous	--	--	--	--
Donations	--	330,388	24,509	--
Total revenues	1,425	409,107	289,960	31,812
<b>Expenditures:</b>				
<b>Current:</b>				
Administration	--	--	--	137,282
Finance	--	--	--	--
Police	--	60,714	--	--
Fire	--	--	--	--
Parks and recreation	12,000	--	105,946	--
Total current	12,000	60,714	105,946	137,282
<b>Capital outlay:</b>				
Administration	--	--	--	--
Police	--	66,892	--	--
Fire	--	--	--	--
Total capital outlay	--	66,892	--	--
<b>Total expenditures</b>	12,000	127,606	105,946	137,282
Excess (deficiency) of revenues over (under) expenditures	(10,575)	281,501	184,014	(105,470)
<b>Other financing sources (uses):</b>				
Transfers in	--	--	--	100,000
Transfers out	--	(20,000)	(50,000)	--
Total other financing sources (uses)	--	(20,000)	(50,000)	100,000
<b>Net change in fund balances</b>	(10,575)	261,501	134,014	(5,470)
Fund balances, October 1	151,543	183,763	218,459	10,015
Fund balances, September 30	\$ 140,968	\$ 445,264	\$ 352,473	\$ 4,545

Street Improvements	Hotel Motel Tax	Fire Equipment	Aviation	Recycling
\$ --	\$ 246,245	\$ --	\$ --	\$ --
--	--	93,600	--	--
--	--	--	--	--
2,502	--	--	--	--
33,422	--	38,876	11,351	31,778
--	--	--	--	--
35,924	246,245	132,476	11,351	31,778
--	--	--	10,769	13,564
--	182,500	--	--	--
--	--	--	--	--
--	--	3,934	--	--
--	--	--	--	--
--	182,500	3,934	10,769	13,564
--	--	--	--	--
--	--	--	--	--
--	--	19,140	--	--
--	--	19,140	--	--
--	182,500	23,074	10,769	13,564
35,924	63,745	109,402	582	18,214
--	--	--	--	--
(266,200)	--	--	--	--
(266,200)	--	--	--	--
(230,276)	63,745	109,402	582	18,214
1,286,732	16,379	176,769	56,988	41,831
\$ 1,056,456	\$ 80,124	\$ 286,171	\$ 57,570	\$ 60,045

**CITY OF ROCKWALL, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Emergency Siren	Downtown Improvement
Revenues:		
<i>Sales taxes</i>	\$ --	\$ --
<i>Charges for services</i>	619	6,000
<i>Intergovernmental</i>	--	--
<i>Interest income</i>	--	--
<i>Miscellaneous</i>	--	--
<i>Donations</i>	--	10,000
Total revenues	<u>619</u>	<u>16,000</u>
Expenditures:		
Current:		
<i>Administration</i>	--	--
<i>Finance</i>	--	--
<i>Police</i>	--	--
<i>Fire</i>	--	--
<i>Parks and recreation</i>	--	9,128
Total current	<u>--</u>	<u>9,128</u>
Capital outlay:		
<i>Administration</i>	1,228	--
<i>Police</i>	--	--
<i>Fire</i>	--	--
Total capital outlay	<u>1,228</u>	<u>--</u>
Total expenditures	<u>1,228</u>	<u>9,128</u>
Excess (deficiency) of revenues over (under) expenditures	(609)	6,872
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	(609)	6,872
Fund balances, October 1	24,148	14,753
Fund balances, September 30	<u>\$ 23,539</u>	<u>\$ 21,625</u>



	Art in Public Places	Special Crimes Unit	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$	--	\$ --	\$ 246,245
	--	--	460,890
	--	--	16,736
	--	--	2,502
	--	38,216	153,643
	78	--	364,975
	<u>78</u>	<u>38,216</u>	<u>1,244,991</u>
	--	--	161,615
	--	--	182,500
	--	(5,218)	55,496
	--	--	3,934
	--	--	127,074
	<u>--</u>	<u>(5,218)</u>	<u>530,619</u>
	--	--	1,228
	--	--	66,892
	--	--	19,140
	<u>--</u>	<u>--</u>	<u>87,260</u>
	--	(5,218)	617,879
	78	43,434	627,112
	--	--	100,000
	--	--	(336,200)
	<u>--</u>	<u>--</u>	<u>(236,200)</u>
	78	43,434	390,912
	1,104	138,348	2,320,832
\$	<u>1,182</u>	\$ <u>181,782</u>	\$ <u>2,711,744</u>

**CITY OF ROCKWALL, TEXAS**  
**CEMETERY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT C-5

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 2,500	\$ 1,425	\$ (1,075)
Total revenues	<u>2,500</u>	<u>1,425</u>	<u>(1,075)</u>
Expenditures:			
Current:			
<i>Parks and recreation</i>	13,000	12,000	1,000
Total current	<u>13,000</u>	<u>12,000</u>	<u>1,000</u>
Total expenditures	<u>13,000</u>	<u>12,000</u>	<u>1,000</u>
Net change in fund balances	(10,500)	(10,575)	(75)
Fund balances, October 1	151,543	151,543	--
Fund balances, September 30	<u>\$ 141,043</u>	<u>\$ 140,968</u>	<u>\$ (75)</u>

**CITY OF ROCKWALL, TEXAS**  
 POLICE INVESTIGATION FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-6

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 63,500	\$ 61,983	\$ (1,517)
<i>Intergovernmental</i>	16,750	16,736	(14)
<i>Interest income</i>	500	--	(500)
<i>Donations</i>	289,300	330,388	41,088
Total revenues	370,050	409,107	39,057
Expenditures:			
Current:			
<i>Police</i>	88,600	60,714	27,886
Total current	88,600	60,714	27,886
Capital outlay:			
<i>Police</i>	70,000	66,892	3,108
Total capital outlay	70,000	66,892	3,108
Total expenditures	158,600	127,606	30,994
Excess (deficiency) of revenues over (under) expenditures	211,450	281,501	70,051
Other financing sources (uses):			
<i>Transfers out</i>	(20,000)	(20,000)	--
Total other financing sources (uses)	(20,000)	(20,000)	--
Net change in fund balances	191,450	261,501	70,051
Fund balances, October 1	183,763	183,763	--
Fund balances, September 30	\$ 375,213	\$ 445,264	\$ 70,051

**CITY OF ROCKWALL, TEXAS**  
 RECREATIONAL DEVELOPMENT FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-7

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
<i>Charges for services</i>	\$ 251,800	\$ 265,451	\$ 13,651
<i>Interest income</i>	500	—	(500)
<i>Donations</i>	24,500	24,509	9
<b>Total revenues</b>	<u>276,800</u>	<u>289,960</u>	<u>13,160</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<i>Parks and recreation</i>	117,500	105,946	11,554
<b>Total current</b>	<u>117,500</u>	<u>105,946</u>	<u>11,554</u>
<b>Total expenditures</b>	<u>117,500</u>	<u>105,946</u>	<u>11,554</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>159,300</u>	<u>184,014</u>	<u>24,714</u>
<b>Other financing sources (uses):</b>			
<i>Transfers out</i>	(50,000)	(50,000)	--
<b>Total other financing sources (uses)</b>	<u>(50,000)</u>	<u>(50,000)</u>	<u>--</u>
<b>Net change in fund balances</b>	<u>109,300</u>	<u>134,014</u>	<u>24,714</u>
<b>Fund balances, October 1</b>	<u>218,459</u>	<u>218,459</u>	<u>--</u>
<b>Fund balances, September 30</b>	<u>\$ 327,759</u>	<u>\$ 352,473</u>	<u>\$ 24,714</u>

**CITY OF ROCKWALL, TEXAS**  
*RADIO SYSTEM*  
*SPECIAL REVENUE FUND*  
*BUDGETARY COMPARISON SCHEDULE*  
*FOR THE YEAR ENDED SEPTEMBER 30, 2011*

EXHIBIT C-8

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 31,600	\$ 31,812	\$ 212
Total revenues	31,600	31,812	212
Expenditures:			
Current:			
<i>Administration</i>	138,950	137,282	1,668
Total current	138,950	137,282	1,668
Total expenditures	138,950	137,282	1,668
Excess (deficiency) of revenues over (under) expenditures	(107,350)	(105,470)	1,880
Other financing sources (uses):			
<i>Transfers in</i>	100,000	100,000	--
Total other financing sources (uses)	100,000	100,000	--
Net change in fund balances	(7,350)	(5,470)	1,880
Fund balances, October 1	10,015	10,015	--
Fund balances, September 30	\$ 2,665	\$ 4,545	\$ 1,880

**CITY OF ROCKWALL, TEXAS**  
**STREET IMPROVEMENTS FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT C-9**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Interest income</i>	\$ 2,000	\$ 2,502	\$ 502
<i>Miscellaneous</i>	16,200	33,422	17,222
Total revenues	18,200	35,924	17,724
Expenditures:			
Current:			
<i>Administration</i>	20,000	--	20,000
Total current	20,000	--	20,000
Total expenditures	20,000	--	20,000
Excess (deficiency) of revenues over (under) expenditures	(1,800)	35,924	37,724
Other financing sources (uses):			
<i>Transfers out</i>	(586,200)	(266,200)	(320,000)
Total other financing sources (uses)	(586,200)	(266,200)	(320,000)
Net change in fund balances	(588,000)	(230,276)	357,724
Fund balances, October 1	1,286,732	1,286,732	--
Fund balances, September 30	\$ 698,732	\$ 1,056,456	\$ 357,724



**CITY OF ROCKWALL, TEXAS**  
*HOTEL MOTEL TAX*  
*SPECIAL REVENUE FUND*  
*BUDGETARY COMPARISON SCHEDULE*  
*FOR THE YEAR ENDED SEPTEMBER 30, 2011*

EXHIBIT C-10

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Sales taxes</i>	\$ 190,000	\$ 246,245	\$ 56,245
Total revenues	190,000	246,245	56,245
Expenditures:			
Current:			
<i>Finance</i>	182,500	182,500	--
Total current	182,500	182,500	--
Total expenditures	182,500	182,500	--
Net change in fund balances	7,500	63,745	56,245
Fund balances, October 1	16,379	16,379	--
Fund balances, September 30	\$ 23,879	\$ 80,124	\$ 56,245

**CITY OF ROCKWALL, TEXAS**  
*FIRE EQUIPMENT FUND*  
*SPECIAL REVENUE FUND*  
*BUDGETARY COMPARISON SCHEDULE*  
*FOR THE YEAR ENDED SEPTEMBER 30, 2011*

EXHIBIT C-11

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 93,600	\$ 93,600	\$ --
<i>Interest income</i>	500	--	(500)
<i>Miscellaneous</i>	--	38,876	38,876
Total revenues	94,100	132,476	38,376
Expenditures:			
Current:			
<i>Fire</i>	11,000	3,934	7,066
Total current	11,000	3,934	7,066
Capital outlay:			
<i>Fire</i>	32,000	19,140	12,860
Total capital outlay	32,000	19,140	12,860
Debt service:			
Total expenditures	43,000	23,074	19,926
Net change in fund balances	51,100	109,402	58,302
Fund balances, October 1	176,769	176,769	--
Fund balances, September 30	\$ 227,869	\$ 286,171	\$ 58,302

**CITY OF ROCKWALL, TEXAS**  
*AVIATION FUND*  
*SPECIAL REVENUE FUND*  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-12

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Interest income</i>	\$ 100	\$ --	\$ (100)
<i>Miscellaneous</i>	13,700	11,351	(2,349)
Total revenues	13,800	11,351	(2,449)
Expenditures:			
Current:			
<i>Administration</i>	13,050	10,769	2,281
Total current	13,050	10,769	2,281
Total expenditures	13,050	10,769	2,281
Net change in fund balances	750	582	(168)
Fund balances, October 1	56,988	56,988	--
Fund balances, September 30	\$ 57,738	\$ 57,570	\$ (168)

**CITY OF ROCKWALL, TEXAS**  
 RECYCLING FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-13

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Interest income</i>	\$ 100	\$ --	\$ (100)
<i>Miscellaneous</i>	33,000	31,778	(1,222)
Total revenues	33,100	31,778	(1,322)
Expenditures:			
Current:			
<i>Administration</i>	14,000	13,564	436
Total current	14,000	13,564	436
Total expenditures	14,000	13,564	436
Net change in fund balances	19,100	18,214	(886)
Fund balances, October 1	41,831	41,831	--
Fund balances, September 30	\$ 60,931	\$ 60,045	\$ (886)

**CITY OF ROCKWALL, TEXAS**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT C-14

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Ad valorem taxes, penalty and interest</i>	\$ 8,165,350	\$ 8,182,218	\$ 16,868
<i>Interest income</i>	5,000	2,901	(2,099)
<i>Miscellaneous</i>	315,000	339,839	24,839
Total revenues	8,485,350	8,524,958	39,608
Expenditures:			
Current:			
<i>Police</i>	87,300	87,296	4
Total current	87,300	87,296	4
Debt service:			
<i>Principal</i>	4,118,000	4,128,038	(10,038)
<i>Interest</i>	3,979,700	3,970,282	9,418
<i>Fiscal charges</i>	10,000	8,100	1,900
Total debt service:	8,107,700	8,106,420	1,280
Total expenditures	8,195,000	8,193,716	1,284
Net change in fund balances	290,350	331,242	40,892
Fund balances, October 1	1,095,030	1,095,030	--
Fund balances, September 30	\$ 1,385,380	\$ 1,426,272	\$ 40,892

**CITY OF ROCKWALL, TEXAS**

HARBOR DEBT SERVICE

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-15

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Ad valorem taxes, penalty and interest</i>	\$ 727,200	\$ 682,469	\$ (44,731)
<i>Sales taxes</i>	300,700	307,392	6,692
<i>Miscellaneous</i>	36,950	36,954	4
Total revenues	<u>1,064,850</u>	<u>1,026,815</u>	<u>(38,035)</u>
Expenditures:			
Debt service:			
<i>Principal</i>	150,000	150,000	--
<i>Interest</i>	603,250	600,019	3,231
Total debt service:	<u>753,250</u>	<u>750,019</u>	<u>3,231</u>
Total expenditures	<u>753,250</u>	<u>750,019</u>	<u>3,231</u>
Net change in fund balances	311,600	276,796	(34,804)
Fund balances, October 1	(164,739)	(164,739)	--
Fund balances, September 30	<u>\$ 146,861</u>	<u>\$ 112,057</u>	<u>\$ (34,804)</u>

**CITY OF ROCKWALL, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 SEPTEMBER 30, 2011

	Capital Projects	Equipment Acquisition	205 Bypass Project	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
<b>ASSETS</b>				
<i>Cash and cash equivalents</i>	\$ 18,780	\$ 11,205	\$ 6,770	\$ 36,755
<i>Investments</i>	1,995,752	1,372,920	2,232,443	5,601,115
Receivables (net of allowances for uncollectibles):				
<i>Accrued interest</i>	16,069	5,645	--	21,714
<i>Accounts receivable</i>	45,254	--	--	45,254
<i>Other receivables</i>	--	1,064	--	1,064
<b>Total Assets</b>	<b>\$ 2,075,855</b>	<b>\$ 1,390,834</b>	<b>\$ 2,239,213</b>	<b>\$ 5,705,902</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
<i>Accounts payable and accrued liabilities</i>	\$ 323,822	\$ 10,819	\$ 288,427	\$ 623,068
<b>Total Liabilities</b>	<b>323,822</b>	<b>10,819</b>	<b>288,427</b>	<b>623,068</b>
Fund balances:				
<i>Assigned</i>	1,752,033	1,380,015	1,950,786	5,082,834
<b>Total fund balances</b>	<b>1,752,033</b>	<b>1,380,015</b>	<b>1,950,786</b>	<b>5,082,834</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,075,855</b>	<b>\$ 1,390,834</b>	<b>\$ 2,239,213</b>	<b>\$ 5,705,902</b>



## CITY OF ROCKWALL, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Capital Projects	Equipment Acquisition	205 Bypass Project	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenues:				
Intergovernmental	\$ 45,255	\$ --	\$ --	\$ 45,255
Interest income	24,043	4,862	8,429	37,334
Total revenues	69,298	4,862	8,429	82,589
Expenditures:				
Capital outlay:				
Administration	863,715	144,590	1,636,804	2,645,109
Finance	--	101,525	--	101,525
Police	--	207,929	--	207,929
Fire	--	247,260	--	247,260
Total capital outlay	863,715	701,304	1,636,804	3,201,823
Debt service:				
Fiscal charges	--	42	--	42
Bond issuance cost	--	4,858	--	4,858
Total debt service:	--	4,900	--	4,900
Total expenditures	863,715	706,204	1,636,804	3,206,723
Excess (deficiency) of revenues over (under) expenditures	(794,417)	(701,342)	(1,628,375)	(3,124,134)
Other financing sources (uses):				
Transfers in	31,400	107,150	--	138,550
Transfers out	(25,000)	--	(554,037)	(579,037)
Issuance of long-term debt	--	392,000	1,400,000	1,792,000
Premium on bonds issued	--	8,897	--	8,897
Discount on bonds issued	--	(2,933)	--	(2,933)
Total other financing sources (uses)	6,400	505,114	845,963	1,357,477
Net change in fund balances	(788,017)	(196,228)	(782,412)	(1,766,657)
Fund balances, October 1	2,540,050	1,576,243	2,733,198	6,849,491
Fund balances, September 30	\$ 1,752,033	\$ 1,380,015	\$ 1,950,786	\$ 5,082,834

**CITY OF ROCKWALL, TEXAS**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2011**

	Employee Benefits	Workers' Compensation	Total Internal Service Funds (See Exhibit A-7)
<b>ASSETS</b>			
Current Assets:			
<i>Cash and cash equivalents</i>	\$ 42,452	\$ 21,162	\$ 63,614
<i>Investments</i>	6,995	750,418	757,413
<i>Other receivables</i>	63,043	--	63,043
Total current assets	112,490	771,580	884,070
Total Assets	112,490	\$ 771,580	\$ 884,070
<b>LIABILITIES</b>			
Current Liabilities:			
<i>Accounts payable and accrued liabilities</i>	392,384	\$ 33,407	\$ 425,791
<i>Due to other funds</i>	256,957	--	256,957
Total current liabilities	649,341	33,407	682,748
Total Liabilities	649,341	33,407	682,748
<b>NET ASSETS (DEFICITS)</b>			
<i>Unrestricted</i>	(536,851)	738,173	201,322
Total Net Assets (Deficits)	\$ (536,851)	\$ 738,173	\$ 201,322

**CITY OF ROCKWALL, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Employee Benefits	Workers' Compensation	Total Internal Service Funds (See Exhibit A-8)
<b>OPERATING REVENUES:</b>			
<i>Charges for services</i>	\$ 505,811	\$ --	\$ 505,811
<i>Reinsurance reimbursement</i>	155,477	--	155,477
Total Operating Revenues	661,288	--	661,288
<b>OPERATING EXPENSES:</b>			
<i>Contractual services</i>	3,155,945	254,741	3,410,686
Total Operating Expenses	3,155,945	254,741	3,410,686
Operating Income (Loss)	(2,494,657)	(254,741)	(2,749,398)
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
<i>Interest income</i>	1,012	1,240	2,252
<i>Miscellaneous income</i>	--	21,236	21,236
Total Non-operating Revenues (Expenses)	1,012	22,476	23,488
Net Income (Loss) before Operating Transfers	(2,493,645)	(232,265)	(2,725,910)
<b>TRANSFERS</b>			
<i>Transfers in</i>	2,707,000	30,000	2,737,000
Change in net assets	213,355	(202,265)	11,090
Net assets (deficits), October 1	(750,206)	940,438	190,232
Net assets (deficits), September 30	\$ (536,851)	\$ 738,173	\$ 201,322

**CITY OF ROCKWALL, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Employee Benefits	Workers' Compensation	Total Internal Service Funds (See Exhibit A-9)
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Customers	\$ 610,153	\$ 21,236	\$ 631,389
Cash Payments to Suppliers for Goods and Services	(3,023,164)	(236,737)	(3,259,901)
Net Cash Provided (Used) by Operating Activities	(2,413,011)	(215,501)	(2,628,512)
<b>Cash Flows from Non-capital Financing Activities:</b>			
Cash Received from Other Funds	2,707,000	30,000	2,737,000
Cash Paid to Other Funds	(260,517)	--	(260,517)
Net Cash Provided (Used) by Non-capital Financing Activities	2,446,483	30,000	2,476,483
<b>Cash Flows from Investing Activities:</b>			
Purchase of Investment Securities	(2,561)	(274,827)	(277,388)
Proceeds from Sale and Maturities of Securities	--	--	--
Interest and Dividends on Investments	1,012	1,429	2,441
Net Cash Provided (Used) for Investing Activities	(1,549)	(273,398)	(274,947)
Net Increase (Decrease) in Cash and Cash Equivalents	31,923	(458,899)	(426,976)
Cash and Cash Equivalents at Beginning of Year	14,962	955,652	970,614
Cash and Cash Equivalents at End of Year	\$ 46,885	\$ 496,753	\$ 543,638
<b>Cash Equivalents Included in Investments:</b>			
Unrestricted	\$ 4,443	\$ 475,591	\$ 480,034
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating Income (Loss)	\$ (2,494,657)	\$ (254,741)	\$ (2,749,398)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>			
Miscellaneous income	--	21,236	21,236
<b>Change in Assets and Liabilities:</b>			
Decrease (Increase) in Receivables	(51,135)	--	(51,135)
Increase (Decrease) in Accounts Payable	132,781	18,004	150,785
Total Adjustments	81,646	39,240	120,886
Net Cash Provided (Used) by Operating Activities	\$ (2,413,011)	\$ (215,501)	\$ (2,628,512)

**CITY OF ROCKWALL, TEXAS**

EXHIBIT C-21

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
SPECIAL ESCROW AGENCY FUND  
YEAR ENDED SEPTEMBER 30, 2011

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
<b>ASSETS</b>				
Cash	\$ 45,818	\$ 453,763	\$ 327,608	\$ 171,973
Investments	1,311,252	1,568,497	1,850,990	1,028,759
Accrued interest receivable	7,826	15,927	13,392	10,361
Total Assets	\$ 1,364,896	\$ 2,038,187	\$ 2,191,990	\$ 1,211,093
<b>LIABILITIES</b>				
Due to developers	\$ 1,364,896	\$ 155,289	\$ 309,092	\$ 1,211,093
Total Liabilities	\$ 1,364,896	\$ 155,289	\$ 309,092	\$ 1,211,093

*Capital Assets Used in the  
Operation of Governmental Funds*

**CITY OF ROCKWALL, TEXAS**

EXHIBIT C-22

COMPARATIVE SCHEDULES BY SOURCE OF  
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2011 AND 2010

	2011	2010
General fixed assets:		
Land	\$ 14,102,412	\$ 13,867,438
Construction in progress	11,820,588	5,028,343
Buildings	17,460,462	17,320,974
Improvements other than buildings	26,755,323	26,755,323
Machinery and equipment	13,464,680	13,247,315
Infrastructure	176,677,312	174,442,217
Total general fixed assets	\$ 260,280,777	\$ 250,661,610
Investment in general fixed assets by source:		
Bond proceeds	\$ 132,378,199	\$ 125,929,295
General government	42,348,651	42,208,596
Grants and entitlements	2,304,133	2,238,598
Developer contributions	83,249,794	80,285,121
Total investment in general fixed assets	\$ 260,280,777	\$ 250,661,610



**CITY OF ROCKWALL, TEXAS**  
 SCHEDULE BY FUNCTION AND ACTIVITY OF  
 CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2011

EXHIBIT C-23

Function and Activity	Land	Construction in Progress	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total
General government	\$ 3,051,303	\$ 11,820,588	\$ 5,546,924	\$ 3,174,375	\$ 2,984,873	--	\$ 26,578,063
Public works	8,337,281	--	324,434	826,893	1,297,758	176,677,312	187,463,678
Public safety	1,020,430	--	2,039,796	12,802	2,926,941	--	5,999,969
Recreational/development	1,693,398	--	2,272,730	22,741,253	1,188,113	--	27,895,494
Fire equipment	--	--	7,276,578	--	5,066,995	--	12,343,573
<b>Total Governmental Capital Assr</b>	<b>\$ 14,102,412</b>	<b>\$ 11,820,588</b>	<b>\$ 17,460,462</b>	<b>\$ 26,755,323</b>	<b>\$ 13,464,680</b>	<b>\$ 176,677,312</b>	<b>\$ 260,280,777</b>

**CITY OF ROCKWALL, TEXAS**

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY OF  
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2010

EXHIBIT C-24

Function and Activity	Capital Assets October 1, 2010	Additions	Deductions	Transfers	Capital Assets September 30, 2011
General government	\$ 19,727,956	\$ 7,661,886	(732,244)	(79,535)	\$ 26,578,063
Public works	184,947,670	2,501,115	(64,642)	79,535	187,463,678
Public Safety	5,757,048	404,012	(161,091)	--	5,999,969
Recreation/development	27,895,494	--	--	--	27,895,494
Fire Equipment	12,333,442	10,131	--	--	12,343,573
Total governmental funds Capital Assets	\$ 250,661,610	\$ 10,577,144	(957,977)	--	\$ 260,280,777

### *Other Supplementary Information*

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

### *DISCRETELY PRESENTED COMPONENT UNITS*

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

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

**CITY OF ROCKWALL, TEXAS**

COMBINING STATEMENT OF NET ASSETS - DISCRETE COMPONENT UNITS  
 SEPTEMBER 30, 2011

	REDC	RTPA	Total
<b>ASSETS</b>			
<i>Cash and cash equivalents</i>	\$ 1,835	\$ 3,058	\$ 4,893
<i>Investments</i>	4,932,135	40,380	4,972,515
<i>Receivables (net of allowances for uncollectibles)</i>	3,616	7,068	10,684
<i>Due from other governments</i>	631,049	--	631,049
<i>Inventories</i>	13,874,711	--	13,874,711
<b>Restricted assets:</b>			
<i>Deferred charges</i>	160,260	--	160,260
<b>Capital assets (net of accumulated depreciation)</b>			
<i>Machinery and equipment</i>	15,500	--	15,500
<b>Total Assets</b>	<b>19,619,106</b>	<b>50,506</b>	<b>19,669,612</b>
<b>LIABILITIES</b>			
<i>Accounts payable and accrued liabilities</i>	172,691	11,714	184,405
<b>Noncurrent liabilities:</b>			
<i>Due within one year</i>	1,210,673	--	1,210,673
<i>Due in more than one year</i>	17,343,295	--	17,343,295
<b>Total Liabilities</b>	<b>18,726,659</b>	<b>11,714</b>	<b>18,738,373</b>
<b>NET ASSETS</b>			
<b>Invested in Capital Assets</b>	<b>15,500</b>	<b>--</b>	<b>15,500</b>
<b>Unrestricted</b>	<b>876,947</b>	<b>38,792</b>	<b>915,739</b>
<b>Total Net Assets</b>	<b>\$ 892,447</b>	<b>\$ 38,792</b>	<b>\$ 931,239</b>

## CITY OF ROCKWALL, TEXAS

COMBINING STATEMENT OF ACTIVITIES - DISCRETE COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Assets		
			REDC	RTPA	Total
<b>Discrete component Units</b>					
<b>Rockwall Economic Development Corporation</b>					
Administration	\$ 2,463,629	\$ --	\$ (2,463,629)		\$ (2,463,629)
Interest on long-term debt	2,100,030	--	(2,100,030)		(2,100,030)
Total REDC	4,563,659	--	(4,563,659)		(4,563,659)
<b>Rockwall Technology Park Association</b>					
Administration	180,847	174,101	--	\$ (6,746)	(6,746)
Total Discrete Component Units	\$ 4,744,506	\$ 174,101	(4,563,659)	(6,746)	(4,570,405)
<b>General Revenues:</b>					
Sales Taxes			3,702,718	--	3,702,718
Miscellaneous			291	--	291
Unrestricted Investment Earnings			7,921	16	7,937
Transfers			--	--	--
Total General Revenues			3,710,930	16	3,710,946
Change in Net Assets			(852,729)	(6,730)	(859,459)
Net Assets - Beginning			1,745,176	45,522	1,790,698
Net Assets - Ending			\$ 892,447	\$ 38,792	\$ 931,239

## CITY OF ROCKWALL, TEXAS

COMBINING BALANCE SHEET - DISCRETE COMPONENT UNITS  
 SEPTEMBER 30, 2011

	Economic Development Corporation	Rockwall Technology Park	Total Governmental Funds
<b>ASSETS</b>			
<i>Cash and cash equivalents</i>	\$ 1,835	\$ 3,058	\$ 4,893
<i>Investments</i>	4,932,135	40,380	4,972,515
Receivables (net of allowances for uncollectibles):			
<i>Accrued interest</i>	286	--	286
<i>Accounts receivable</i>	3,330	7,068	10,398
<i>Due from other governments</i>	631,049	--	631,049
<i>Inventory</i>	13,874,711	--	13,874,711
<b>Total Assets</b>	<b>\$ 19,443,346</b>	<b>\$ 50,506</b>	<b>\$ 19,493,852</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
<i>Accounts payable and accrued liabilities</i>	\$ 20,138	\$ 11,714	\$ 31,852
<b>Total Liabilities</b>	<b>20,138</b>	<b>11,714</b>	<b>31,852</b>
<b>Fund balances:</b>			
<i>Nonspendable</i>	13,874,711	--	13,874,711
<i>Restricted</i>	5,548,497	38,792	5,587,289
<b>Total fund balances</b>	<b>19,423,208</b>	<b>38,792</b>	<b>19,462,000</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 19,443,346</b>	<b>\$ 50,506</b>	<b>\$ 19,493,852</b>



**CITY OF ROCKWALL, TEXAS**

RECONCILIATION OF THE DISCRETE COMPONENT UNITS GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 SEPTEMBER 30, 2011

Total fund balances - governmental funds balance sheet	\$ 19,462,000
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.	15,501
Payables for bond principal which are not due in the current period are not reported in the funds.	(18,533,324)
Payables for bond interest which are not due in the current period are not reported in the funds.	(152,553)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(20,645)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	160,260
Net assets of governmental activities - Statement of Net Assets	\$ <u>931,239</u>

## CITY OF ROCKWALL, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Economic Development Corporation	Rockwall Technology Park	Total Governmental Funds
Revenues:			
<i>Sales taxes</i>	\$ 3,702,718	\$ --	\$ 3,702,718
<i>Interest income</i>	7,921	16	7,937
<i>Miscellaneous</i>	291	174,101	174,392
Total revenues	3,710,930	174,117	3,885,047
Expenditures:			
Current:			
<i>Administration</i>	1,025,534	180,847	1,206,381
Total current	1,025,534	180,847	1,206,381
Capital outlay:			
<i>Administration</i>	256,957	--	256,957
Total capital outlay	256,957	--	256,957
Debt service:			
<i>Principal</i>	1,135,000	--	1,135,000
<i>Interest</i>	979,399	--	979,399
<i>Fiscal charges</i>	4,322	--	4,322
Total debt service:	2,118,721	--	2,118,721
Total expenditures	3,401,212	180,847	3,582,059
Excess (deficiency) of revenues over (under) expenditures	309,718	(6,730)	302,988
Other financing sources (uses):			
<i>Transfers to primary government</i>	(2,300,000)	--	(2,300,000)
Total other financing sources (uses)	(2,300,000)	--	(2,300,000)
Net change in fund balances	(1,990,282)	(6,730)	(1,997,012)
Fund balances, October 1	21,413,490	45,522	21,459,012
Fund balances, September 30	\$ 19,423,208	\$ 38,792	\$ 19,462,000

**CITY OF ROCKWALL, TEXAS**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF DISCRETE COMPONENT UNIT GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Net change in fund balances - total governmental funds	\$ (1,997,012)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	3,158
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,256)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,135,000
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(12,060)
(Increase) decrease in accrued interest from beginning of period to end of period.	18,691
Special termination benefits are reported as the amount earned in the SOA but as the amount paid in the funds	(4,980)
Change in net assets of governmental activities - Statement of Activities	\$ (859,459)

**CITY OF ROCKWALL, TEXAS**

**EXHIBIT C-31**

*ECONOMIC DEVELOPMENT CORPORATION - DISCRETE COMPONENT UNIT  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<i>Sales taxes</i>	\$ 3,358,400	\$ 3,505,000	\$ 3,702,718	\$ 197,718
<i>Interest income</i>	10,000	10,000	7,921	(2,079)
<i>Miscellaneous</i>	--	295	291	(4)
<b>Total revenues</b>	<b>3,368,400</b>	<b>3,515,295</b>	<b>3,710,930</b>	<b>195,635</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<i>Administration</i>	969,000	1,024,601	1,025,534	(933)
<b>Total current</b>	<b>969,000</b>	<b>1,024,601</b>	<b>1,025,534</b>	<b>(933)</b>
<b>Capital outlay:</b>				
<i>Administration</i>	806,500	466,500	256,957	209,543
<b>Total capital outlay</b>	<b>806,500</b>	<b>466,500</b>	<b>256,957</b>	<b>209,543</b>
<b>Debt service:</b>				
<i>Principal</i>	1,135,000	1,135,000	1,135,000	--
<i>Interest</i>	979,397	979,397	979,399	(2)
<i>Fiscal charges</i>	4,500	4,500	4,322	178
<b>Total debt service:</b>	<b>2,118,897</b>	<b>2,118,897</b>	<b>2,118,721</b>	<b>176</b>
<b>Total expenditures</b>	<b>3,894,397</b>	<b>3,609,998</b>	<b>3,401,212</b>	<b>208,786</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(525,997)</b>	<b>(94,703)</b>	<b>309,718</b>	<b>404,421</b>
<b>Other financing sources (uses):</b>				
<i>Transfers to primary government</i>	--	(2,300,000)	(2,300,000)	--
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>(2,300,000)</b>	<b>(2,300,000)</b>	<b>--</b>
<b>Net change in fund balances</b>	<b>(525,997)</b>	<b>(2,394,703)</b>	<b>(1,990,282)</b>	<b>404,421</b>
Fund balances, October 1	21,413,490	21,413,490	21,413,490	--
Fund balances, September 30	\$ 20,887,493	\$ 19,018,787	\$ 19,423,208	\$ 404,421

**CITY OF ROCKWALL, TEXAS**  
 ROCKWALL TECHNOLOGY PARK ASSOCIATION  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-32

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Interest income</i>	\$ 2,600	\$ 1,050	\$ 16	\$ (1,034)
<i>Miscellaneous</i>	187,100	191,100	174,101	(16,999)
Total revenues	189,700	192,150	174,117	(18,033)
Expenditures:				
Current:				
<i>Administration</i>	187,100	190,100	180,847	9,253
Total current	187,100	190,100	180,847	9,253
Total expenditures	187,100	190,100	180,847	9,253
Net change in fund balances	2,600	2,050	(6,730)	(8,780)
Fund balances, October 1	45,522	45,522	45,522	--
Fund balances, September 30	\$ 48,122	\$ 47,572	\$ 38,792	\$ (8,780)

# 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	123
<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	140
<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	145
<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	148
<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 BY COMPONENT  
LAST NINE FISCAL YEARS  
(unaudited)

TABLE D-1

	Fiscal Year								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Governmental activities</b>									
Invested in capital assets, net of related debt	\$ 91,085,278	\$ 89,101,460	\$ 88,367,580	\$ 63,546,273	\$ 49,487,300	\$ 34,020,634	\$ 41,346,180	\$ 47,695,043	\$ 43,120,444
Restricted	1,774,193	11,788,623	2,306,529	14,222,187	23,258,947	37,748,076	17,051,680	5,897,961	8,354,614
Unrestricted	13,400,417	4,308,457	12,955,777	13,643,810	13,386,297	11,683,150	11,850,426	10,242,495	9,975,317
<b>Total governmental activities net assets</b>	<b>\$ 106,259,888</b>	<b>\$ 105,198,540</b>	<b>\$ 103,629,886</b>	<b>\$ 91,412,270</b>	<b>\$ 86,132,544</b>	<b>\$ 83,451,860</b>	<b>\$ 70,248,286</b>	<b>\$ 63,835,499</b>	<b>\$ 61,450,375</b>
<b>Business-type activities</b>									
Invested in capital assets, net of related debt	\$ 58,139,970	\$ 54,288,096	\$ 53,418,392	\$ 48,127,382	\$ 47,893,027	\$ 41,923,596	\$ 37,368,956	\$ 38,406,139	\$ 32,724,578
Restricted	2,992,291	6,221,719	7,568,701	17,888,236	14,620,878	18,060,049	18,350,384	11,698,161	15,635,741
Unrestricted	6,124,975	5,340,103	6,162,163	5,283,929	5,463,619	7,081,727	7,475,827	9,457,896	3,746,526
<b>Total business-type activities net assets</b>	<b>\$ 67,257,236</b>	<b>\$ 65,849,918</b>	<b>\$ 67,149,256</b>	<b>\$ 71,299,547</b>	<b>\$ 67,977,524</b>	<b>\$ 67,065,372</b>	<b>\$ 63,195,667</b>	<b>\$ 59,562,196</b>	<b>\$ 52,106,845</b>
<b>Primary government</b>									
Invested in capital assets, net of related debt	\$ 149,225,248	\$ 143,389,556	\$ 141,785,972	\$ 111,673,655	\$ 97,380,327	\$ 75,944,230	\$ 78,715,136	\$ 86,101,182	\$ 75,845,022
Restricted	4,766,484	18,010,342	9,875,230	32,110,423	37,879,825	55,808,125	35,402,564	17,596,122	23,990,355
Unrestricted	19,525,392	9,648,560	19,117,940	18,927,739	18,849,916	18,764,877	19,326,253	19,700,391	13,721,843
<b>Total primary government net assets</b>	<b>\$ 173,517,124</b>	<b>\$ 171,048,458</b>	<b>\$ 170,779,142</b>	<b>\$ 162,711,817</b>	<b>\$ 154,110,068</b>	<b>\$ 150,517,232</b>	<b>\$ 133,443,953</b>	<b>\$ 123,397,695</b>	<b>\$ 113,557,220</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  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
(unaudited)

TABLE D-2

	Fiscal Year								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Expenses</b>									
Governmental activities:									
Mayor/Council	\$ 111,494	\$ 116,372	\$ 109,844	\$ 117,366	\$ 111,555	\$ 108,366	\$ 78,114	\$ 74,416	\$ 58,378
Administration	7,183,587	6,862,780	6,707,709	7,384,773	5,523,924	6,040,692	4,908,083	5,757,527	3,583,719
Finance	1,331,943	1,294,888	1,409,054	1,338,894	1,138,210	1,027,654	954,840	877,537	760,436
Municipal Court	362,149	353,147	334,922	312,601	298,383	304,492	295,379	254,210	236,201
Police	8,423,470	8,609,827	8,384,774	7,130,698	7,001,771	6,095,435	6,372,344	6,862,707	5,446,279
Fire	2,734,296	2,741,288	2,201,236	2,242,829	2,207,468	1,889,269	1,144,577	1,530,503	966,400
Public Works	8,008,701	6,669,448	5,482,571	7,094,068	6,928,067	5,530,219	4,753,190	6,155,726	3,961,797
Community Development	1,203,407	1,210,519	1,350,023	2,229,753	2,018,363	1,781,548	1,680,857	1,493,249	442,470
Parks and Recreation	5,843,647	5,805,241	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	4,554,433	4,717,319	4,669,459	4,418,519	3,612,523	2,179,950	1,136,584	1,277,825	1,244,127
Total governmental activities expenses	39,757,127	38,380,829	35,900,098	36,295,428	31,929,014	27,541,172	23,653,063	26,607,258	18,186,843
Business-type activities:									
Water and Sewer	14,715,610	13,916,192	13,272,884	12,206,742	10,917,707	10,253,226	8,777,277	7,061,272	6,436,878
Total business-type activities expenses	14,715,610	13,916,192	13,272,884	12,206,742	10,917,707	10,253,226	8,777,277	7,061,272	6,436,878
Total primary government expenses	\$ 54,472,737	\$ 52,297,021	\$ 49,172,982	\$ 48,502,170	\$ 42,846,721	\$ 37,794,398	\$ 32,430,340	\$ 33,668,530	\$ 24,623,721
<b>Program Revenues</b>									
Governmental activities:									
Charges for services:									
Community Development	\$ 792,029	\$ 664,711	\$ 1,020,979	\$ 1,072,444	\$ 1,118,001	\$ 1,318,516	\$ 1,687,141	\$ 1,680,531	\$ 1,487,000
Municipal Court	1,195,552	1,193,019	1,082,488	974,973	989,677	883,228	917,610	928,470	730,753
Police	550,947	522,919	516,591	658,015	415,637	649,261	720,395	402,980	221,076
Other	665,314	706,280	667,091	1,252,838	1,275,491	1,771,297	1,012,518	894,130	492,282
Operating grants & contributions	366,656	59,303	81,199	151,741	1,059,602	783,317	894,114	1,424,824	772,911
Capital grants & contributions	4,525,403	4,437,478	8,127,487	6,620,540	3,193,554	11,804,657	5,893,301	6,624,160	181,426
Total governmental activities program revenues	8,095,901	7,583,710	11,495,835	10,730,551	8,051,962	17,210,476	11,125,079	11,955,095	3,885,448

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

TABLE D-2

	Fiscal Year								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Business-type activities:</b>									
Charges for services:									
Water Sales	8,547,662	6,917,587	6,574,110	6,060,043	4,815,631	6,547,846	5,379,382	4,474,069	4,530,970
Sewer Charges	3,406,283	2,864,595	2,748,160	2,409,614	2,338,820	2,355,821	2,046,425	1,922,989	1,809,478
Other	2,752,625	2,150,155	1,951,945	1,797,390	1,616,873	2,164,135	2,072,748	1,890,686	1,797,588
Operating grants & contributions	2,157,402	1,992,680	3,374,321	5,616,869	2,808,528	4,319,065	3,411,639	6,576,943	2,906,811
Capital grants & contributions	16,863,972	13,925,017	14,648,536	15,883,916	11,579,852	15,386,867	12,910,194	14,864,687	11,044,847
<b>Total business-type activities program revenues</b>	<b>\$ 24,959,873</b>	<b>\$ 21,508,727</b>	<b>\$ 26,144,371</b>	<b>\$ 26,614,467</b>	<b>\$ 19,631,814</b>	<b>\$ 32,597,343</b>	<b>\$ 24,035,273</b>	<b>\$ 26,819,782</b>	<b>\$ 14,930,295</b>
<b>Total primary government program revenues</b>	<b>(31,661,226)</b>	<b>(30,797,119)</b>	<b>(24,404,263)</b>	<b>(25,564,877)</b>	<b>(23,877,052)</b>	<b>(10,330,696)</b>	<b>(12,527,984)</b>	<b>(14,652,163)</b>	<b>(14,301,395)</b>
<b>Net (Expense)/Revenue</b>	<b>2,148,362</b>	<b>8,825</b>	<b>1,375,652</b>	<b>3,677,174</b>	<b>662,145</b>	<b>5,133,641</b>	<b>4,132,917</b>	<b>7,803,415</b>	<b>4,607,969</b>
<b>Governmental activities</b>	<b>(29,512,864)</b>	<b>(30,788,294)</b>	<b>(23,028,611)</b>	<b>(21,887,703)</b>	<b>(23,214,907)</b>	<b>(5,197,055)</b>	<b>(8,395,067)</b>	<b>(6,848,748)</b>	<b>(9,693,426)</b>
<b>Business-type activities</b>									
<b>Total primary government net expense</b>	<b>\$ 17,204,239</b>	<b>\$ 16,735,510</b>	<b>\$ 16,422,119</b>	<b>\$ 14,780,112</b>	<b>\$ 11,827,931</b>	<b>\$ 9,063,530</b>	<b>\$ 8,111,715</b>	<b>\$ 7,265,947</b>	<b>\$ 6,717,883</b>
<b>General Revenues and Transfers</b>									
Governmental activities:									
Property taxes	11,526,555	10,833,397	10,264,401	10,123,636	8,901,929	8,529,051	7,379,841	6,736,054	6,277,216
Sales taxes	3,011,917	3,285,081	3,734,068	4,625,450	4,477,541	3,566,689	2,442,815	2,167,786	1,843,906
Other	979,863	1,511,785	6,201,291	1,315,405	1,350,335	2,375,000	1,006,400	867,500	1,337,963
Transfers	32,722,574	32,365,773	36,621,879	30,844,603	26,557,736	23,534,270	18,940,771	17,037,287	16,176,968
<b>Total governmental activities</b>	<b>47,240,709</b>	<b>46,995,996</b>	<b>56,822,449</b>	<b>46,909,104</b>	<b>41,287,541</b>	<b>35,804,010</b>	<b>29,769,827</b>	<b>26,747,627</b>	<b>24,636,053</b>
<b>Business-type activities:</b>									
Other	238,819	203,622	675,348	960,254	1,600,342	1,111,064	506,954	519,436	345,017
Transfers	(979,863)	(1,511,785)	(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>(741,044)</b>	<b>(1,308,163)</b>	<b>(5,525,943)</b>	<b>(355,151)</b>	<b>250,007</b>	<b>(1,263,936)</b>	<b>(499,446)</b>	<b>(348,064)</b>	<b>(992,946)</b>
<b>Total primary government</b>	<b>\$ 31,981,530</b>	<b>\$ 31,057,610</b>	<b>\$ 31,095,936</b>	<b>\$ 30,489,452</b>	<b>\$ 26,807,743</b>	<b>\$ 22,270,334</b>	<b>\$ 18,441,325</b>	<b>\$ 16,689,223</b>	<b>\$ 15,184,022</b>
<b>Change in Net Assets</b>									
Governmental activities	\$ 1,061,348	\$ 1,568,654	\$ 12,217,616	\$ 5,279,726	\$ 2,680,684	\$ 13,203,574	\$ 6,412,787	\$ 2,385,124	\$ 1,875,573
Business-type activities	1,407,318	(1,299,338)	(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>\$ 2,468,666</b>	<b>\$ 269,316</b>	<b>\$ 8,067,325</b>	<b>\$ 8,601,749</b>	<b>\$ 3,592,836</b>	<b>\$ 17,073,279</b>	<b>\$ 10,046,258</b>	<b>\$ 9,840,475</b>	<b>\$ 5,490,596</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)

Fiscal Year	Sales Tax			Total
	Property Tax	Franchise Tax	Total	
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
2010	16,735,510	10,833,397	2,748,483	30,317,390
2011	17,204,239	11,526,555	2,445,762	31,176,556

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

Fiscal Year	Water Sales	Sewer Charges	Total
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
2010	6,917,587	2,864,595	9,782,182
2011	8,547,662	3,406,283	11,953,945

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund										
Reserved	\$ -	\$ -	2,870	2,446	1,407	26,130	26,980	16,104	7,500	6,862
Restricted	-	-	-	-	-	-	-	-	-	-
Non-spendable	2,116	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Unreserved	-	9,159,333	8,293,107	8,264,368	8,335,289	7,692,662	7,301,334	6,860,155	7,235,979	7,579,095
Unassigned	10,085,001	-	-	-	-	-	-	-	-	-
Total general fund	\$ 10,087,117	\$ 9,159,333	\$ 8,295,977	\$ 8,266,814	\$ 8,336,696	\$ 7,718,792	\$ 7,328,314	\$ 6,876,259	\$ 7,243,479	\$ 7,585,957
All other governmental funds										
Reserved for:										
Debt Service	\$ -	\$ 930,290	\$ 1,077,236	\$ 835,203	\$ 1,083,320	\$ 1,461,294	\$ 1,155,897	\$ 694,758	\$ 683,650	\$ 551,753
Restricted	1,641,992	-	-	-	-	-	-	-	-	-
Committed	2,608,081	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	-	2,320,833	2,399,605	3,145,275	2,797,330	2,422,376	2,046,410	1,358,357	926,507	671,382
Capital projects funds	-	10,319,501	16,906,340	13,094,614	21,877,706	36,529,256	16,113,095	5,271,300	7,540,907	9,031,865
Assigned	16,652,507	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 20,902,580	\$ 13,570,624	\$ 20,383,181	\$ 17,075,092	\$ 25,758,356	\$ 40,412,926	\$ 19,315,402	\$ 7,324,415	\$ 9,151,064	\$ 10,255,000

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



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

TABLE D-6

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Revenues</b>										
Ad valorem taxes, penalty and interest	\$ 17,329,982	\$ 16,560,766	\$ 16,407,575	\$ 14,708,142	\$ 11,820,994	\$ 8,979,948	\$ 8,140,125	\$ 7,270,408	\$ 6,678,166	\$ 5,722,744
Sales taxes	11,526,555	10,833,397	10,264,401	10,123,637	8,901,929	8,529,051	7,379,841	6,736,054	6,277,216	6,228,716
Franchise taxes	2,604,569	2,728,251	2,444,296	2,179,847	2,046,674	1,981,016	1,715,242	1,702,156	1,548,499	1,506,971
Charges for services	710,007	713,760	738,146	362,107	417,049	426,996	268,125	266,450	263,349	159,451
Permits	765,500	651,108	1,005,541	1,122,505	1,132,985	1,325,832	1,718,218	1,709,832	1,521,019	1,467,736
Municipal court	1,157,838	1,173,907	1,056,904	1,177,410	1,019,260	987,066	906,634	937,164	734,500	584,171
Intergovernmental	478,037	506,100	428,747	419,700	1,097,790	1,011,739	3,182,350	1,772,811	1,100,961	1,452,565
Interest income	136,878	60,429	611,615	1,702,870	2,012,244	1,149,204	304,644	143,269	312,700	598,483
Miscellaneous	661,379	569,258	872,988	837,707	716,896	1,060,866	1,080,366	755,733	422,427	375,753
Contributions and donations	364,975	148,512	2,812,457	775,695	2,241,586	6,251,435	163,635	252,037	56,463	35,112
<b>Total Revenues</b>	<b>35,735,720</b>	<b>33,945,488</b>	<b>36,642,670</b>	<b>33,409,620</b>	<b>31,407,407</b>	<b>31,703,153</b>	<b>24,859,180</b>	<b>21,545,914</b>	<b>18,915,300</b>	<b>18,131,702</b>
<b>Expenditures</b>										
<b>Current:</b>										
Mayor/council	111,494	116,372	109,845	117,366	111,555	108,366	78,114	74,416	58,377	68,480
Administration	3,402,793	3,353,637	3,358,705	3,056,885	2,750,197	2,910,478	2,708,948	2,324,516	3,024,304	2,421,992
Finance	1,211,261	1,189,250	1,266,436	1,199,417	1,138,238	1,025,230	952,808	837,800	756,688	707,823
Municipal court	335,082	333,234	318,467	311,706	300,186	303,131	291,348	249,839	234,832	189,088
Police	7,982,280	8,083,075	7,775,622	6,923,679	6,426,957	6,235,463	6,070,311	6,083,676	5,171,682	5,024,188
Fire	2,146,012	2,179,372	1,618,559	1,451,970	1,340,624	1,242,836	1,075,427	950,622	757,447	373,099
Public works	2,122,710	1,577,760	1,528,010	2,824,267	2,427,535	2,411,324	2,050,077	2,005,360	1,781,760	1,648,599
Community development	1,178,982	1,130,169	1,258,030	2,219,167	2,002,767	1,783,961	1,682,480	1,477,483	440,481	302,156
Parks and recreation	4,590,161	4,529,739	4,493,524	2,907,229	2,473,238	2,318,135	1,826,608	1,758,180	1,369,986	1,322,614
<b>Total current</b>	<b>23,080,775</b>	<b>22,492,608</b>	<b>21,727,198</b>	<b>21,011,686</b>	<b>18,971,297</b>	<b>18,338,924</b>	<b>16,736,121</b>	<b>15,761,892</b>	<b>13,595,557</b>	<b>12,058,039</b>
<b>Capital outlay:</b>										
Administration	7,168,226	4,746,948	18,427,890	2,373,369	4,028,933	1,580,706	602,847	623,526	1,843,858	8,767,869
Finance	101,525	57,653	78,866	137,035	-	-	-	36,746	141,102	104,138
Municipal Court	-	-	-	-	-	-	-	3,958	13,152	-
Police	274,821	1,316,626	258,623	74,899	225,992	285,150	1,850,771	978,179	372,661	370,552
Fire	266,400	434,754	6,462,691	727,795	1,578,623	835,685	711,166	525,888	172,970	542,049
Public works	-	24,575	90,798	29,051,639	10,609,516	25,733,888	9,756,038	1,667,682	1,198,999	892,865
Community development	-	-	-	-	2,105	-	519	668	1,123	-
Parks and recreation	-	1,095,622	482,177	1,742,004	2,397,348	1,477,499	757,360	600,049	443,049	199,661
<b>Total capital outlay</b>	<b>7,810,972</b>	<b>7,676,178</b>	<b>25,801,045</b>	<b>34,106,741</b>	<b>18,842,517</b>	<b>29,912,928</b>	<b>13,678,701</b>	<b>4,436,696</b>	<b>4,186,914</b>	<b>10,877,134</b>



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

TABLE D-6

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Debt service:</b>										
Principal	4,278,038	4,458,038	4,670,540	4,335,462	3,726,505	2,620,235	1,801,369	2,831,984	1,623,841	1,590,000
Interest	4,570,301	4,766,488	4,716,545	4,254,162	3,607,455	1,748,001	977,878	1,032,504	1,229,093	1,198,065
Bond issuance costs	150,900	-	242,173	468,837	9,500	500,889	429,728	99,311	-	50,879
Fiscal charges	11,200	7,032	15,284	6,384	6,484	6,020	5,063	7,403	9,272	14,580
<b>Total debt services</b>	<b>9,010,439</b>	<b>9,231,558</b>	<b>9,644,542</b>	<b>9,064,845</b>	<b>7,349,944</b>	<b>4,875,145</b>	<b>3,214,038</b>	<b>3,971,202</b>	<b>2,862,206</b>	<b>2,853,524</b>
<b>Total expenditures</b>	<b>39,902,186</b>	<b>39,400,344</b>	<b>57,172,785</b>	<b>64,183,272</b>	<b>45,163,758</b>	<b>53,126,997</b>	<b>33,628,860</b>	<b>24,169,790</b>	<b>20,644,677</b>	<b>25,788,697</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,166,466)</b>	<b>(5,454,856)</b>	<b>(20,530,115)</b>	<b>(30,773,652)</b>	<b>(13,756,351)</b>	<b>(21,423,844)</b>	<b>(8,769,680)</b>	<b>(2,623,876)</b>	<b>(1,729,377)</b>	<b>(7,656,995)</b>
<b>Other financing sources (uses):</b>										
Transfers in	3,456,450	1,478,835	8,664,757	1,975,436	2,585,804	4,305,332	2,959,535	2,429,909	4,445,973	4,976,111
Transfers out	(2,913,587)	(2,304,050)	(4,488,966)	(2,715,031)	(2,866,119)	(3,478,832)	(3,416,135)	(2,812,409)	(4,163,010)	(4,971,711)
Bonds issued	13,210,000	-	19,295,000	22,270,000	-	41,045,000	21,200,000	-	-	4,295,000
Capital Leases	-	330,870	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	4,805,000	-	-	-	6,095,000	4,067,415	-	-
Accrued interest on bonds issued	-	-	-	-	-	176,020	129,913	-	-	-
Premium (discounts) on bonds issued	325,248	-	444,623	490,101	-	864,326	271,518	-	-	-
Payment to refunded bond escrow agent	(1,651,905)	-	(4,853,047)	-	-	-	(6,027,109)	(3,120,178)	-	-
<b>Total other financing sources (uses)</b>	<b>12,426,206</b>	<b>(494,345)</b>	<b>23,867,367</b>	<b>22,020,506</b>	<b>(280,315)</b>	<b>42,911,846</b>	<b>21,212,722</b>	<b>564,737</b>	<b>282,963</b>	<b>4,299,400</b>
<b>Net change in fund balances</b>	<b>8,259,740</b>	<b>(5,949,201)</b>	<b>3,337,252</b>	<b>(8,753,146)</b>	<b>(14,036,666)</b>	<b>21,488,002</b>	<b>12,443,042</b>	<b>(2,059,139)</b>	<b>(1,446,414)</b>	<b>(3,357,595)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>27.6%</b>	<b>29.1%</b>	<b>30.6%</b>	<b>24.0%</b>	<b>22.0%</b>	<b>17.4%</b>	<b>13.5%</b>	<b>14.4%</b>	<b>18.1%</b>	<b>19.1%</b>

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

Fiscal Year	Property Tax	Sales Tax		Franchise Tax	Total
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	
2010	16,560,766	10,833,397	2,728,251	30,122,414	
2011	17,329,982	11,526,555	2,604,569	31,461,106	

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

<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>
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
2010	10,833,397	65.62%	0.35
2011	11,526,555	68.55%	0.37

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

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			
2002	2001	\$ 1,005,596,905	\$ 434,430,607	\$ 231,005,372	\$ 1,578,877,552	0.3600	
2003	2002	1,180,867,660	484,847,529	271,117,946	1,836,889,580	0.3600	
2004	2003	1,371,585,380	487,360,218	258,028,313	1,986,223,254	0.3600	
2005	2004	1,573,206,290	525,794,698	284,849,415	2,229,241,700	0.3600	
2006	2005	1,736,808,885	567,435,458	286,808,498	2,427,709,054	0.3689	
2007	2006	1,943,727,690	921,234,223	261,957,560	2,575,330,270	0.4250	
2008	2007	2,405,432,149	709,899,929	289,545,141	2,801,901,551	0.4865	
2009	2008	2,147,701,430	1,155,846,969	330,037,398	3,008,520,228	0.5031	
2010	2009	2,185,092,860	1,222,610,470	338,639,915	3,083,191,753	0.5031	
2011	2010	2,253,052,114	1,364,840,173	334,504,395	3,131,216,223	0.5031	

Source: Rockwall Central Appraisal District

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

<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>
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
2010	117,336,354	6,522,310	101,284,160	25,091,542	182,290
2011	123,493,766	8,781,840	99,301,400	20,804,929	17,421

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

Fiscal Year	City of Rockwall			Overlapping Rates	
	M&O	Debt	Total	School	County
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
2010	0.2453	0.2578	0.5031	1.4700	0.3750
2011	0.2562	0.2469	0.5031	1.4700	0.3864

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

Taxpayer	2011			2002		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
CNLRs Rockwall, LP	\$ 50,948,210	1	1.63%	\$ -	-	-
Continental Pet Technology	37,595,890	2	1.20%	41,841,947	1	2.64%
Rockwall Regional Hospital, LLP	36,925,810	3	1.18%	-	-	-
Mariah Bay Development, Inc	30,981,690	4	0.99%	-	-	-
Rockwall Hotel & Conference Group	29,160,780	5	0.93%	-	-	-
Rockwall HH, LLC	25,000,000	6	0.80%	-	-	-
Wal-mart	23,474,360	7	0.75%	20,839,943	2	1.32%
Rockwall Crossing LTD	22,646,520	8	0.72%	-	-	-
Oncor Electric Delivery Service	21,633,760	9	0.69%	13,327,250	5	0.84%
Texas Star Express	18,814,200	10	0.60%	-	-	-
SPM/WRI Rockwall, L.P.	-	-	-	17,559,561	3	1.11%
Lowes Home Centers, Inc.	-	-	-	13,592,294	4	0.86%
Rockwall/ S-30 Ltd.	-	-	-	11,938,840	6	0.75%
Steger Towne Crossing, LP	-	-	-	9,768,360	7	0.62%
Bent Tree Realty Co.	-	-	-	9,702,200	8	0.61%
Southwestern Bell Telephone	-	-	-	9,638,070	9	0.61%
Dayton Hudson	-	-	-	8,725,190	10	0.55%
Subtotal	<u>297,181,220</u>		<u>9.49%</u>	<u>156,933,655</u>		<u>9.92%</u>
Total Taxable Value	<u>\$ 3,131,216,223</u>		<u>100.00%</u>	<u>\$ 1,582,093,220</u>		<u>100.00%</u>

Source: Rockwall Central Appraisal District  
 Note: For tax years 2010 and 2001



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

Fiscal Year	Tax Year	Total Tax Levy	Total Current Year Collections	Percent of Levy Collected During Fiscal Period	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy
2002	2001	\$ 5,696,005	\$ 5,605,385	98.41%	\$ 55,841	\$ 5,661,226	99.39%
2003	2002	6,619,325	6,487,602	98.01%	77,090	6,564,692	99.17%
2004	2003	7,194,520	7,145,433	99.32%	176,253	7,321,686	101.77%
2005	2004	8,063,888	8,021,945	99.48%	141,227	8,163,172	101.23%
2006	2005	8,984,907	8,921,613	99.30%	114,598	9,036,211	100.57%
2007	2006	11,602,218	11,433,285	98.54%	112,247	11,545,532	99.51%
2008	2007	14,371,045	14,173,725	98.63%	139,450	14,313,175	99.60%
2009	2008	16,005,417	15,923,847	99.49%	269,545	16,193,392	101.17%
2010	2009	16,509,972	16,280,346	98.61%	138,823	16,419,169	99.45%
2011	2010	16,815,649	16,739,517	99.55%	233,560	16,973,077	100.94%

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

TABLE D-14

Customer	2011			2002		
	Water Usage	Rank	Percentage of Total Water Usage	Water Usage	Rank	Percentage of Total Water Usage
City of Rockwall	62,366,600	1	1.72%	12,605,600	8	1.14%
Rockwall I.S.D.	48,449,000	2	1.33%	18,610,800	2	1.69%
Mansions of Rockwall	33,135,100	3	0.91%	-	-	-
Excel Rockwall, L.P.	17,815,600	4	0.49%	-	-	-
D.W.C./Highlife Properties	16,896,500	5	0.47%	14,582,900	4	1.32%
Mission Rockwall	15,966,700	6	0.44%	20,436,700	1	1.85%
Rockwall Crossing, Ltd.	15,498,400	7	0.43%	-	-	-
Walden Residential Properties	14,198,700	8	0.39%	14,499,200	5	1.32%
TF-Harbor, LLC	12,541,100	9	0.35%	-	-	-
Lakepointe Church	11,723,500	10	0.32%	-	-	-
Sabre Realty	-	-	-	17,738,400	3	1.61%
Continental Can	-	-	-	13,325,700	6	1.21%
Lone Star Circuits	-	-	-	13,218,300	7	1.20%
Steger Towne Crossing	-	-	-	11,494,600	9	1.04%
Rockwall Nursing Home	-	-	-	10,721,100	10	0.97%
Subtotal	<u>248,591,200</u>		<u>6.85%</u>	<u>147,233,300</u>		<u>13.36%</u>
Total Water Usage	<u>3,629,256,940</u>		<u>100.00%</u>	<u>1,102,291,150</u>		<u>100.00%</u>

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

TABLE D-15

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Capitalized Lease Obligations	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Water and Sewer Revenue Bonds	Capitalized Lease Obligations				
2002	\$ 13,295,364	\$ 10,485,000	\$ 945,000	\$ -	\$ 384,636	\$ -	\$ -	\$ 10,991,569	\$ 2,505,000	\$ 38,606,569	5.23%	\$ 1,841	
2003	12,521,523	9,890,000	690,000	-	288,477	-	-	10,555,000	2,150,000	36,095,000	4.61%	1,580	
2004	11,918,933	9,075,000	420,000	-	271,067	-	-	10,035,000	1,780,000	33,500,000	3.67%	1,329	
2005	22,992,564	17,940,000	345,000	-	247,436	-	-	14,910,000	1,385,000	57,820,000	5.43%	2,080	
2006	57,632,329	21,825,000	315,000	-	212,671	-	-	14,145,000	1,145,000	95,275,000	7.88%	3,155	
2007	55,720,824	20,045,000	280,000	-	184,176	-	-	13,360,000	5,040,094	94,630,094	7.20%	3,013	
2008	74,925,362	18,810,000	245,000	-	154,638	9,935,000	-	12,530,000	4,805,090	121,405,090	8.72%	3,824	
2009	86,179,822	22,425,000	-	-	135,178	25,890,000	-	11,670,000	7,431,754	153,731,754	11.14%	4,789	
2010	83,271,784	20,875,000	-	278,034	113,216	25,005,000	-	10,775,000	7,080,083	147,398,117	9.62%	4,205	
2011	88,473,746	23,050,000	-	236,589	91,254	28,205,000	-	5,215,000	6,946,589	152,218,178	9.17%	4,135	

Note: See Table 20 for personal income and population data

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

Fiscal Year	Governmental Activities						Net Bonded Debt	Percentage of Actual Taxable Value	Per Capita
	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Gross Bonded Debt	Less: Debt Service Fund Balance				
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	
2010	83,271,784	20,875,000	-	104,146,784	930,290	103,216,494	3.35%	2,945	
2011	88,473,746	23,050,000	-	111,523,746	1,426,272	110,097,474	3.52%	2,991	

Note: See Table 20 for population data and Table 8 for property value data

CITY OF ROCKWALL, TEXAS  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
SEPTEMBER 30, 2011

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	\$ 110,097,474	100.00%	\$ 110,097,474
Indirect:			
Rockwall Independent School District	346,468,101	59.33%	205,559,524
Rockwall County	56,500,000	49.93%	28,210,450
Total Indirect	402,968,101		233,769,974
Total Direct and Overlapping Bonded Debt	\$ 513,065,575		\$ 343,867,448
Average debt per capita			\$ 9,811

(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)

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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
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	0.5031	0.5031	0.4865	0.425	0.3689	0.3600	0.3600	0.3600	0.3600
Legal Debt Margin	1.9969	1.9969	1.9969	2.0135	2.0750	2.1311	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	
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
2010	12,644,083	9,871,989	2,772,094	895,000	507,658	1,402,658	1.98
2011	15,439,747	10,805,039	4,634,708	740,000	360,448	1,100,448	4.21

Note: Direct operating expenses excludes depreciation



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

DEMOGRAPHICS						
Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita		RISD School Enrollment (2)	Unemployment Rate (%) (1)
			Personal Income (1)	Personal Income (1)		
2002	20,967	737,850	35,191	9,617	7.1	
2003	22,850	782,658	34,252	10,077	6.7	
2004	25,200	911,711	36,179	10,527	5.1	
2005	27,800	1,064,601	38,295	11,560	3.5	
2006	30,200	1,209,238	40,041	12,627	3.4	
2007	31,407	1,313,786	41,831	13,086	3.9	
2008	31,748	1,392,658	43,866	13,407	4.9	
2009	32,103	1,380,397	42,999	13,721	7.0	
2010	35,050	1,531,825	43,704	14,030	6.6	
2011	36,810	1,659,505	45,083	14,200	6.7	

Source: (1) Texas Workforce Commission, 2010 and 2011 are estimates  
 (2) Rockwall Independent School District - private schools not included

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

TABLE D-21

Employer	2011			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Rockwall Independent School District	1,550	1	8.17%	1,100	1	9.23%
Texas Star Express	484	2	2.55%	200	6	1.68%
Wal-Mart Superstore	450	3	2.37%	450	2	3.78%
Presbyterian Hospital	419	4	2.21%	-	-	-
Rockwall County	298	5	1.57%	-	-	-
City of Rockwall	255	6	1.34%	-	-	-
Special Products	205	7	1.08%	-	-	-
Target	200	8	1.05%	150	9	1.26%
Rockwall Nursing Home	160	9	0.84%	-	-	-
Kohl's Department Store	140	10	0.74%	150	8	1.26%
Continental Express	-	-	-	225	3	1.89%
Precision Cable	-	-	-	200	4	1.68%
James Helwig & Son	-	-	-	200	5	1.68%
Power Maintenance International	-	-	-	200	7	1.68%
Home Depot	-	-	-	149	10	1.25%
Subtotal	4,161		21.94%	3,024		25.37%
Total	18,963		100.00%	11,919		100.00%

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)

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Administration	21	22	22	22	22	21	21	21	23	19
Finance	8	8	8	8	8	8	7.5	6.5	4.5	4.5
Municipal Court	4	4	4	4	4	4	4	3	3	3
Fire	17	17	17	10	10	9	9	8	5	4
Police	91.5	90.5	90.5	88	85	80	72	70	68	63
Community Development	29.5	29.5	29.5	29.5	29.5	28.5	25.5	22	21	19
Parks & Recreation	26	26	26	24.5	24.5	25	24	21	21	22
Public Works	21	21	21	23	23	23	21	21	21	20
Water/Sewer	37	38	38	34	31	29	26	25	23	22
Total	255.00	256.00	256.00	243.00	237.00	227.50	210.00	197.50	189.50	176.50

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

TABLE D-23

Function	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Finance</b>										
Invoices processed	15,582	16,613	16,933	16,696	16,015	15,883	14,919	14,246	14,430	n/a
Payroll checks issued	8,460	8,356	8,176	7,765	7,840	7,042	6,579	6,543	5,882	4,983
Purchase orders issued	2,269	2,391	2,572	2,363	2,553	2,468	2,561	2,420	2,338	n/a
<b>Municipal Court</b>										
Violations Processed	16,361	17,261	16,526	12,984	17,455	16,635	15,225	13,913	15,000	9,364
<b>Fire</b>										
Employees (paid)	16	16	16	9	9	9	9	8	4	3
Volunteers	41	38	35	42	37	40	39	36	38	38
Fire Calls (City and County)	1,059	771	771	860	777	718	772	623	560	474
<b>Police</b>										
Employees (uniformed)	71	71	70	69	66	61	55	51	49	42
Employees (civilian)	20	20	20	19	18	18	17	17	15	12
Calls for Service*	21,490	30,569	30,610	29,097	27,158	21,121	17,915	16,066	14,699	14,717
* Police Department software was upgraded in Sept. 2010 and utilizes a different criteria to count calls.										
<b>Community Development</b>										
# permits - New commercial construction	21	4	17	26	33	18	51	18	27	22
Value - New commercial construction	15,446,160	10,969,950	71,061,773	40,553,363	104,798,013	39,358,497	49,918,558	29,067,960	40,304,701	41,967,125
# permits - New residential construction	185	212	169	173	192	470	739	885	775	945
Value - New residential construction	36,244,834	40,293,359	30,914,120	31,962,169	40,174,623	82,305,725	123,215,423	135,501,919	117,512,216	144,002,845
<b>Parks &amp; Recreation</b>										
The Center facility usage	84,001	68,665	61,713	76,530	69,988	75,757	71,118	58,060	38,821	2,713
Special event attendance	80,000	95,000	90,680	75,232	54,156	25,231	26,547	35,736	14,300	9,113
# recreation participants (youth & adult)	3,268	3,428	2,155	2,757	2,727	2,381	2,034	1,793	1,411	882

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

TABLE D-23

Function	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Public Works										
Streets - sq yd concrete street repair	2,276.40	2,851.55	5,507.20	3,415.26	739.69	1,967.75	2,961.55	2,395.76	n/a	n/a
\$ spent on concrete/asphalt street repair	602,167	575,446	541,430	411,814	341,685	478,169	352,048	431,475	339,507	284,129
Miles of public street maintained by City*	183.05	196.10	192.86	183.86	144.83	139.52	129.23	127.66	122.70	116.03
* mileage calculations have changed and software advances have allowed for a more accurate count										
Water/Sewer										
Water customers	13,044	12,859	12,471	12,285	12,345	11,985	11,491	10,497	9,440	8,827
Sewer customers	11,891	11,651	11,401	11,106	10,987	10,445	10,020	9,282	8,510	7,781
Average daily water consumption (gal)	9,943,169	7,434,917	8,228,041	8,052,778	6,701,619	5,991,288	5,023,404	4,327,595	4,209,473	3,019,976
Maximum storage capacity (gal)	12,000,000	12,000,000	12,000,000	9,500,000	7,500,000	7,500,000	7,500,000	7,500,000	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)

Function	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Fire</b>										
Number of stations	4	4	2	2	2	2	2	2	2	2
Number of fire engines/trucks	15	14	12	11	11	9	8	8	8	8
<b>Police</b>										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	42	42	42	42	42	42	37	30	26	22
<b>Parks &amp; Recreation</b>										
Parks acres (developed)	538.00	538.00	538.00	538.00	341.50	324.60	307.30	287.70	283.20	n/a
Playgrounds	25	25	23	23	23	18	12	12	12	11
Picnic areas	32	32	31	31	29	27	26	26	25	12
Swimming pools	2	2	2	2	2	2	2	2	2	2
<b>Public Works</b>										
\$ spent on new street construction	1,079,938	2,596,948	15,444,384	24,508,043	4,885,417	1,689,445	2,477,496	165,359	116,368	1,670,734
\$ spent on street rehabilitation	2,433,289	1,929,529	1,446,058	4,219,701	2,492,251	6,575,541	2,352,112	583,947	397,026	967,878
Miles of public street	183.05	196.10	192.86	183.86	144.83	139.52	129.23	127.66	122.70	116.03
<b>Water/Sewer</b>										
Water mains (miles)	265.82	269.82	255.88	250.40	160.06	155.37	146.32	139.93	128.49	120.93
Sanitary sewers (miles)	222.62	215.88	212.77	209.95	117.51	113.58	107.83	103.62	96.64	91.87

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