ROCKWALL COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

For Fiscal Year
September 30, 2013

ROCKWALL COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

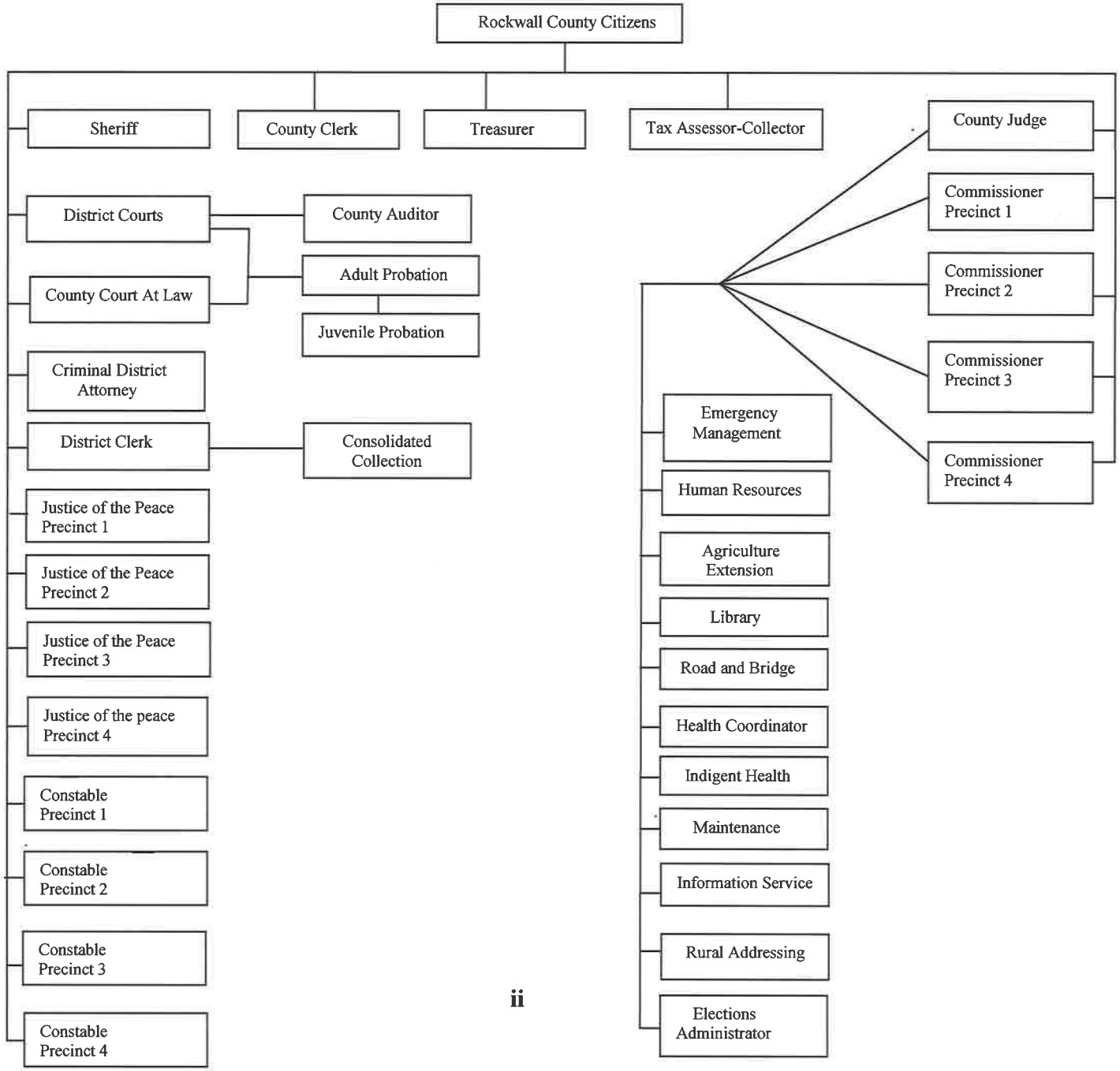
ROCKWALL COUNTY, TEXAS

PRINCIPAL OFFICIALS

SEPTEMBER 30, 2013

Name	Title
Commissioners' Court:	
Jerry Hogan	County Judge
Cliff Sevier	Commissioner, Precinct 1
Lorie Grinnan	Commissioner, Precinct 2
Dennis Bailey	Commissioner, Precinct 3
David Magness	Commissioner, Precinct 4
Board of District Judges:	
Brett Hall	382nd District Court
David Rakow	439th District Court
County Judges:	
Brian Williams	County Court at Law
Jack James	Justice of the Peace, Precinct 1
Nancy Beaty	Justice of the Peace, Precinct 2
Mark Russo	Justice of the Peace, Precinct 3
Liana Whitten	Justice of the Peace, Precinct 4
Law Enforcement:	
Harold Eavenson	Sheriff
Kenda Culpepper	District Attorney
Angie Scalf	Director, Juvenile Probation
Brett Gilbert	Director, Adult Probation
John Benedetto	Constable, Precinct 1
Trey Chaney	Constable, Precinct 2
Tom Egan	Constable, Precinct 3
Randy Parks	Constable, Precinct 4
Administrative Officials:	
Lisa Constant	County Auditor
Kim Sweet	Tax Assessor-Collector
Brian Crenshaw	Information Systems
David Peek	Treasurer
Randy Jennings	Director, Human Resources
Ron Meritt	Health Coordinator
Donna Mussotter	Director, Indigent Health
Pat Nesmith	Road and Bridge Administrator
Luis Guzman	Maintenance Administrator
Recording Officials:	
Shelli Miller	County Clerk
Kay McDaniel	District Clerk

Rockwall County Organizational Chart – 2013



FINANCIAL SECTION

PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge
and County Commissioners
Rockwall County, Texas

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

WACO, TX
401 West Highway 6
Waco, Texas 76710
254.772.4901
www.pbhcpa.com

HOUSTON, TX
281.671.6259

RIO GRANDE VALLEY, TX
956.544.7778

TEMPLE, TX
254.791.3460

ALBUQUERQUE, NM
505.266.5904

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Rockwall County, Texas, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of funding progress for participation in the Texas County and District Retirement System and post-retirement health care benefit plan on pages 4–13 and 47–51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2014, on our consideration of the Rockwall County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rockwall County Texas' internal control over financial reporting and compliance.

Pattillo, Brown + Hill, L.L.P.

Waco, Texas
April 17, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

ROCKWALL COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The *Management's Discussion and Analysis* of the County of Rockwall, Texas' (the "County") Annual Financial Report presents a discussion and analysis of the County's financial performance during the fiscal year that ended September 30, 2013. Readers should consider the information in this section when reading the overall report, including the transmittal letter, financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

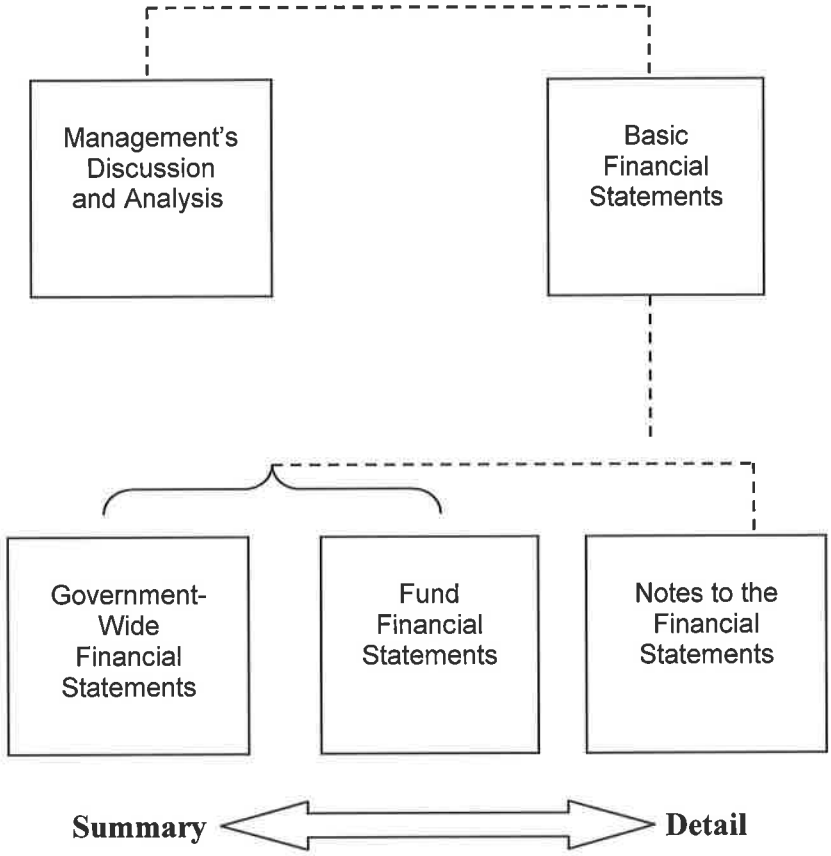
As illustrated in Figure A-1, the government-wide financial statements provide information about the County as a whole using the economic resources measurement focus and accrual basis of accounting.

- The assets of Rockwall County exceeded its liabilities at the close of the fiscal year by $29,871,085 (net position).
- The County's total net position decreased by $(11,109,395).
- As of the close of the current fiscal year, Rockwall County's governmental funds reported combined ending fund balances of $61,985,607, an increase of $24,552,657 , in comparison with the prior year. Of this amount, $18,264,485 is available for spending at the County's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $18,264,485, or 73% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Rockwall County.

Figure A-1
Required Components of
Rockwall County's Annual Financial Report



Basic Financial Statements

The first two statements in the basic financial statements are the *government-wide financial statements.* They provide both short and long-term information about the County's financial status.

The next statements are *fund financial statements*. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. After the notes, *supplemental information* is provided to show details about the County's individual funds. Budgetary information required by the general statutes also can be found in this part of the statements.

Government-wide Financial Statements – The government-wide financial statements, are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how they have changed. Net position is the difference between the County's total assets and total liabilities. Measuring net position is one way to gauge the County's financial condition.

The Statement of Net Position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both the government-wide financial statements distinguish functions of Rockwall County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business activities). The governmental activities of the County include general government, public safety, judicial, and community services.

Fund Financial Statements – The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Rockwall County, like all other governmental entities in Texas, uses fund accounting to ensure and reflect compliance (or noncompliance) with finance-related legal requirements, such as the general statutes or the County's budget ordinance. All of the funds of the County can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The County of Rockwall, Texas adopts an annual budget for its General Fund, as required by the general statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Commissioners' Court about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows three columns: (1) the final budget as amended by the Commissioners; 2) the actual resources, variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – Rockwall County, Texas maintain one type of proprietary fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Rockwall County's various functions. Rockwall County, Texas uses internal service funds to account for the management of its self-insured health insurance plan. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Rockwall County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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 includes certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees, progress in funding its post-retirement health care benefit plan and budget to actual schedule for the General Fund.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

The government-wide financial statements for the fiscal year ended September 30, 2013, continue the implementation of a new standard of financial reporting for Rockwall County, and many other units of government across the United States.

Figure A-2
ROCKWALL COUNTY'S NET POSITION

	Governmental Activities	
	2013	2012
Current and other assets	$ 78,785,891	$ 49,457,385
Capital assets	65,811,441	67,422,855
Total assets	144,597,332	116,880,240
Long-term liabilities	111,655,551	72,579,149
Other liabilities	3,070,696	3,320,611
Total liabilities	114,726,247	75,899,760
Net position:		
Invested in capital assets, net of related debt	20,930,434	26,066,075
Restricted	6,868,464	7,200,204
Unrestricted	2,072,187	7,714,201
Total net position	$ 29,871,085	$ 40,980,480

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition; Figure A-2 provides a one-year comparison. The total assets of Rockwall County exceeded liabilities by $29,871,085 as of September 30, 2013. The County's net position decreased by $(11,109,395) for the fiscal year ended September 30, 2013. However, a large portion, 70.1% reflects the County's investment in capital assets (e.g. land, buildings, machinery and equipment) less any related debt still outstanding that was issued to acquire those items. Rockwall County uses these capital assets to provide services to citizens: consequently, these assets are not available for future spending. Although Rockwall County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

Analysis of the County's Operations – Figure A-3 provides a summary of the County's operations for the year ended September 30, 2013, and comparative data from 2012.

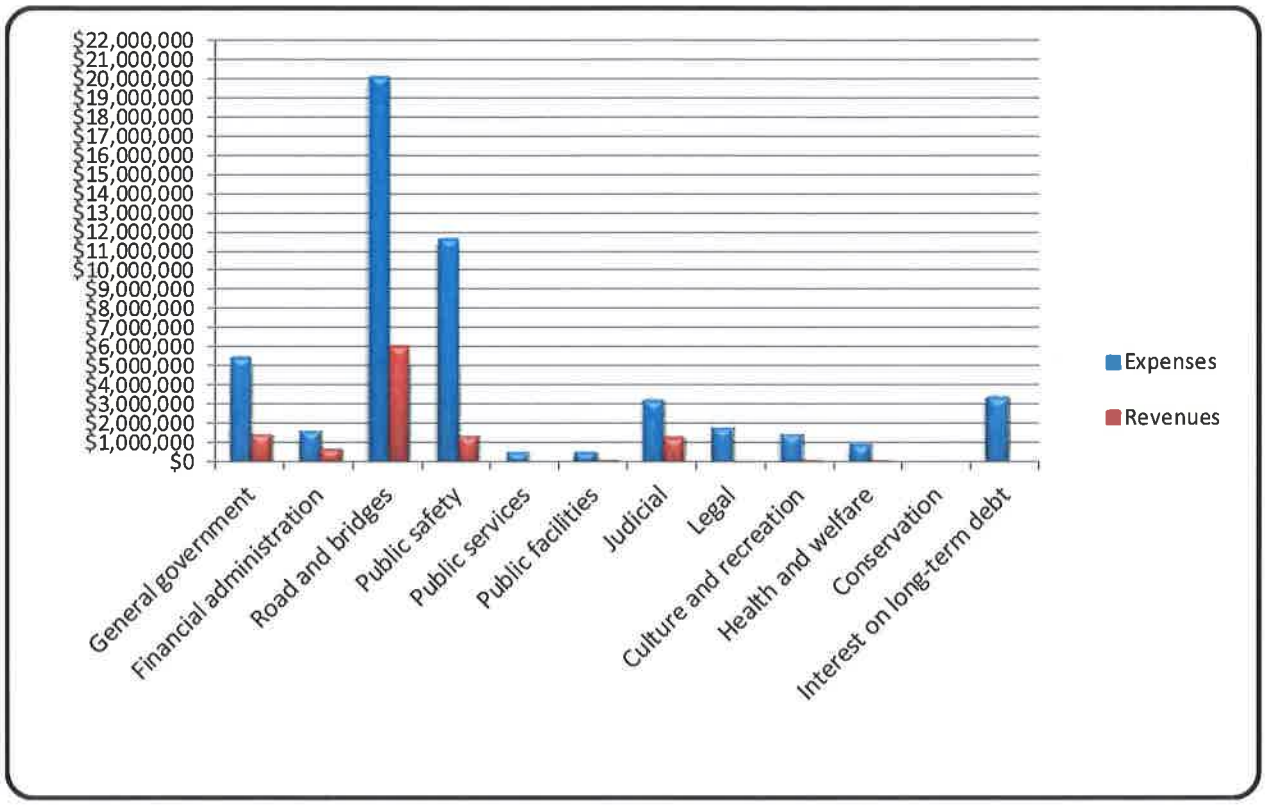
Figure A-3
ROCKWALL COUNTY'S NET POSITION

	Governmental Activities	
	2013	2012
REVENUES		
Program revenues:		
Charges for services	$ 6,841,008	$ 5,879,306
Operating grants and contributions	4,812,739	858,739
Capital grants and contributions	7,320	29,600
General revenues:		
Property taxes	27,043,675	26,849,646
Mixed drink taxes	227,299	202,896
Sales tax	347,819	269,863
Investment earnings	89,062	160,606
Gain on sale of assets	843,545	194,210
Miscellaneous	41,706	39,748
Total revenues	40,254,173	34,484,614
EXPENSES		
General government	5,522,225	5,423,438
Financial administration	1,687,204	1,752,080
Roads and bridges	20,193,170	9,061,497
Public safety	11,698,310	11,462,939
Public services	560,015	763,569
Public facilities	585,122	706,107
Judicial	3,257,514	2,994,833
Legal	1,838,282	1,776,835
Culture and recreation	1,517,513	1,520,272
Health and welfare	980,619	1,143,843
Conservation	89,046	107,024
Interest on long-term debt	3,434,549	2,579,739
Total expenditures	51,363,568	39,292,176
INCREASE IN NET POSITION	(11,109,395)	(4,807,562)
NET POSITION, BEGINNING	40,980,480	53,969,906
PRIOR PERIOD ADJUSTMENT	-	(8,181,864)
NET POSITION, ENDING	$ 29,871,085	$ 40,980,480

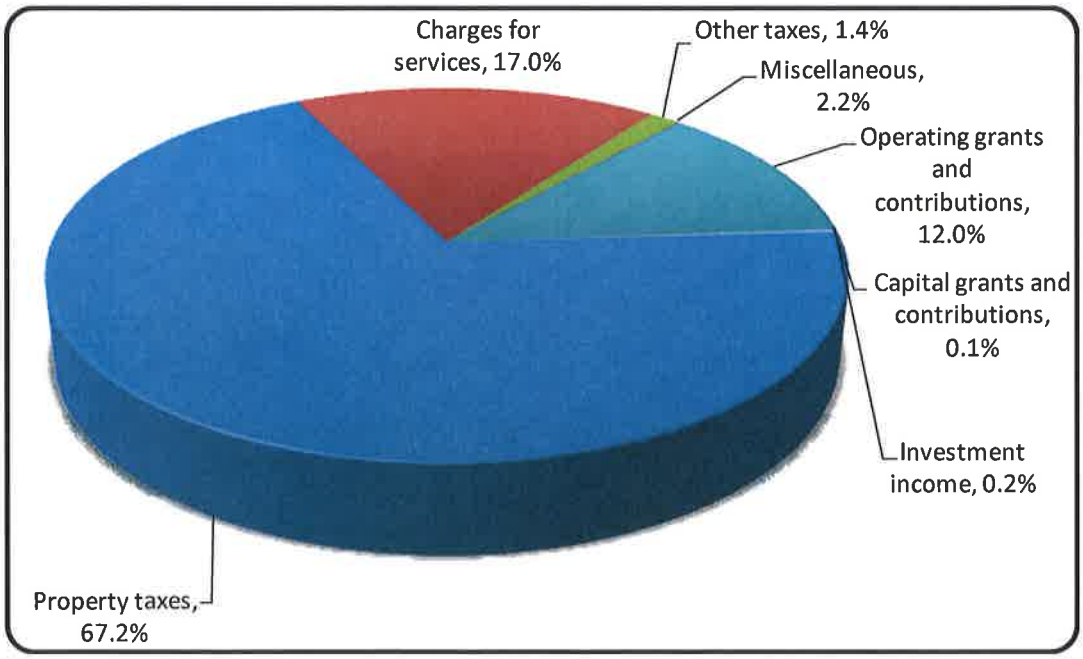
Governmental-type Activities – Governmental-type activities decreased the County's net position $(11,109,395). This decrease was mainly influenced by several highway projects being participated in by Rockwall County, Texas. The County is participating with the state and federal government in several road projects within the County. The main projects are IH-30 at FM 551, SH 66 and IH-30 at FM 3549. These three projects had $17,129,408 of expenses in FY 2013. Since these projects are for state and federal highways, the County expenses these items as the roads that are being constructed will not be maintained by the County. Although the County did receive $4,418,000 of highway department grant funding, the increase in road and bridge expenses in FY 2013 over FY 2012 was $11,131,673. The County will ultimately receive $20,792,000 inclusive of the $4,418,000 recorded in the current fiscal year.

The County also experienced an increase in depreciation expense of capital assets of approximately $880 thousand as the new Courthouse facility had its first year of depreciation charged in FY 2013.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, Rockwall County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The focus of the Rockwall County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Specifically, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Rockwall County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $18,264,485. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 73% of total General Fund expenditures.

The County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the following major funds:

- General Fund
- Road Improvement Bond 2008 Fund
- Debt Service Fund

Each of these funds is considered to be a major fund. Financial results from the other government funds are combined into a single, aggregated presentation and included in the total. Individual fund data for each of these nonmajor governmental funds are provided in the combining and individual fund statements and schedules.

A budgetary comparison statement is provided for County governmental funds, where a budget is adopted, to demonstrate compliance with the approved budget. Budgetary comparison statements for major governmental funds are presented as required supplementary information in the basic financial statements.

General Fund Budgetary Highlights – During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and (3) increases in appropriations that become necessary to maintain services.

Revenues were more than the budgeted amounts in the areas of fees and commissions. However, expenditures were generally in line with budgeted amounts.

Proprietary Funds – Currently, the County has only one type of proprietary fund – an Internal Service fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The services provided benefit the various government functions they support, which is why they have been included within governmental activities in the government-wide financial statements. The County uses Internal Service funds to account for the following activities:

- Insurance Claims
- Employee Benefits Paid

Proprietary funds provide the same type of information as the government-wide financial statements, but with more detail. Internal Service Funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the Internal Service Fund is provided in the combining and individual fund statements and schedules.

Fiduciary Funds – The County's fiduciary fund consists of one trust fund and several agency funds. Agency funds are separate accounts and transactions related to money received that is collected for and remitted to another entity. For example, the County collects traffic fines; a portion of the fines belong to the state. After collection, the monies owed to the other entities are remitted to those entities on a periodic basis.

Notes to the Financial Statements – The notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes disclose other pertinent information that, when taken in whole with the financial statements, provide a more detailed picture of the state of the finances of the County.

Other Information – In addition to the basic financial statements accompanying notes to those financial statements, also presented in this report are certain required supplementary information schedules with additional information regarding the results of the County's financial activities.

The combining statements and individual fund schedules are presented immediately following the required supplementary information.

CAPITAL ASSETS

Rockwall County's investment in capital assets for its governmental activities as of September 30, 2013, totals $65,811,441 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment.

Major capital asset transactions during the year include the following events:

- Initial implementation of integrated judicial system.
- Sold land and buildings associated with the old government center.
- Purchased several new vehicles and pieces of equipment mainly including sheriff vehicles, two tractors and an emergency paging system.

ROCKWALL COUNTY'S CAPITAL ASSETS AT YEAR-END

	Governmental Activities	
	2013	2012
Land and improvements	$ 6,246,813	$ 6,371,813
Machinery and equipment	8,063,430	7,933,307
Buildings	59,414,428	24,129,704
Infrastructure	5,232,656	5,232,656
Construction in progress	620,184	36,819,378
Less: accumulated depreciation	(13,766,070)	(13,064,003)
Total	$ 65,811,441	$ 67,422,855

Additional information on the County's capital assets can be found in Note C in the notes to the financial statements.

DEBT ADMINISTRATION

Long-term Debt – As of September 30, 2013, Rockwall County had total bonded debt outstanding of $106,415,000.

ROCKWALL COUNTY'S OUTSTANDING BONDS AS OF SEPTEMBER 30, 2013

	Beginning Balance	Additions	Reductions	Ending Balance
Certificates of obligation and tax notes	$ 69,920,000	$ 39,050,000	$ 2,555,000	$ 106,415,000

Rockwall County's bonded debt increased by $36,495,000, or 52%, during the current fiscal year.

GENERAL FUND BUDGET HIGHLIGHTS FOR FISCAL YEAR ENDING SEPTEMBER 30, 2014

Governmental Activities – In preparation for the fiscal year 2014 budget, the County increased the ad valorem tax rate of $0.3959 per $100 assessed value. The increase of the debt rate from .0840 to .0940 will compensate for the additional bonded debt that the County issued for road bond projects. In comparison to fiscal year 2013 projected revenue of $26,926,028, which included a one-time use of available County resources to fund an Integrated Judicial Software system is consistent with the total forecasted revenue for 2014 year is $26,375,706. Budgeted expenditures of $26,375,706 reflect a decrease over fiscal year 2013 expenditures.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning the information found in this report or requests for additional information should be directed to the Treasurer, or County Auditor, in Rockwall County, Texas.

BASIC
FINANCIAL STATEMENTS

ROCKWALL COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

ASSETS	
Cash and investments	$ 63,920,131
Receivables (net of allowance for uncollectibles)	7,351,033
Prepaid expense	245,073
Interest receivable	281
Deferred charges	1,548,348
Net pension asset	5,721,025
Capital assets:	
Non-depreciable	6,866,997
Depreciable (net)	58,944,444
Total assets	144,597,332
LIABILITIES	
Accounts payable	1,469,825
Claims payable	134,735
Accrued liabilities	550,976
Due to others	1,183
Unearned revenue	1,712
Interest payable	912,265
Noncurrent liabilities:	
Due within one year:	
Tax notes	2,818,146
Compensated absences	119,301
Due in more than one year:	
Tax notes	106,567,862
Compensated absences	477,205
Net OPEB obligation	1,673,037
Total liabilities	114,726,247
NET POSITION	
Net investment in capital assets	20,930,434
Restricted for:	
Capital acquisition and construction	133,820
Debt service	1,206,467
Records preservation and management	1,331,278
Court security and technology	128,536
Legal	561,045
Public safety	376,321
Judicial	357,823
Culture and recreation	255,526
Roads and bridges	2,415,071
Elections assistance and administration	102,577
Unrestricted	2,072,187
Total net position	$ 29,871,085

The accompanying notes are an integral part of these financial statements.

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

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities
Primary government					
Governmental activities:					
General government	$ 5,522,225	$ 1,440,264	$ 75,765	$ -	$(4,006,196)
Financial administration	1,687,204	711,550	-	-	(975,654)
Roads and bridges	20,193,170	1,693,886	4,418,000	-	(14,081,284)
Public safety	11,698,310	1,358,506	44,425	-	(10,295,379)
Public services	560,015	-	-	-	(560,015)
Public facilities	585,122	80,660	95,116	-	(409,346)
Judicial	3,257,514	1,289,890	78,704	-	(1,888,920)
Legal	1,838,282	18,785	46,289	-	(1,773,208)
Culture and recreation	1,517,513	147,533	10,203	7,320	(1,352,457)
Health and welfare	980,619	99,934	44,237	-	(836,448)
Conservation	89,046	-	-	-	(89,046)
Interest on long-term debt	3,434,549	-	-	-	(3,434,549)
Total governmental activities	51,363,568	6,841,008	4,812,739	7,320	(39,702,501)
Total primary government	$ 51,363,568	$ 6,841,008	$ 4,812,739	$ 7,320	(39,702,501)

General revenues:	
Taxes:	
Property	27,043,675
Beverage	227,299
Sales	347,819
Investment earnings	89,062
Miscellaneous	41,706
Gain on sale of assets	843,545
Total general revenues	28,593,106
Change in net position	(11,109,395)
Net position - beginning	40,980,480
Net position - ending	$ 29,871,085

The accompanying notes are an integral part of these financial statements.

ROCKWALL COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2013

	General	Road Improvements Bond 2008	Debt Service	Other Governmental Funds	Total
ASSETS					
Cash and investments	$ 19,860,703	$ 36,202,534	$ 1,982,550	$ 5,433,525	$ 63,479,312
Receivables (net of allowances for uncollectibles):					
Taxes	617,644	-	136,183	70,282	824,109
Accounts	1,673,949	4,418,000	-	264,108	6,356,057
Interest	-	-	-	281	281
Due from other funds	52	-	-	-	52
Prepaid expenditures	245,073	-	-	-	245,073
Total assets	$ 22,397,421	$ 40,620,534	$ 2,118,733	$ 5,768,196	$ 70,904,884
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 1,272,906	$ 67,287	$ 1	$ 69,827	$ 1,410,021
Accrued liabilities	516,368	-	-	34,608	550,976
Accrued interest payable	-	-	96,503	-	96,503
Due to others	1,183	-	-	-	1,183
Deferred revenue	2,097,406	4,418,000	124,779	220,357	6,860,542
Due to other funds	-	-	-	52	52
Total liabilities	3,887,863	4,485,287	221,283	324,844	8,919,277
Fund balances:					
Nonspendable:					
Prepaids	245,073	-	-	-	245,073
Assigned:					
Future budget offset	-	-	-	-	-
Restricted:					
Capital acquisition and construction	-	-	-	133,820	133,820
Debt service	-	-	1,897,450	-	1,897,450
Records preservation and management	-	-	-	1,331,278	1,331,278
Court security and technology	-	-	-	128,536	128,536
Legal	-	-	-	561,045	561,045
Public safety	-	-	-	376,321	376,321
Judicial	-	-	-	357,823	357,823
Culture and recreation	-	-	-	255,526	255,526
Roads and bridges	-	36,135,247	-	2,196,426	38,331,673
Elections assistance and administration	-	-	-	102,577	102,577
Unassigned	18,264,485	-	-	-	18,264,485
Total fund balances	18,509,558	36,135,247	1,897,450	5,443,352	61,985,607
Total liabilities and fund balances	$ 22,397,421	$ 40,620,534	$ 2,118,733	$ 5,768,196	$ 70,904,884

The accompanying notes are an integral part of these financial statements.

ROCKWALL COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2013

Total fund balances - governmental funds balance sheet	$ 61,985,607
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	65,811,441
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	6,858,830
Long-term liabilities, (such as notes payable, capital lease contract payable, long-term compensated absences, NPO, and bonds payable), are not due and payable in the current period and are therefore not reported in the funds.	(110,922,965)
Governmental funds report outlays for pension costs as expenditures. However, in the statement of activities the amount by which these outlays exceed the annual required contributions for the plan are not expenses. Instead these outlays are reported as an asset on the statement of net position.	5,721,025
Internal Service Funds are used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.	417,147
Net Position of governmental activities in the Statement of Net Position	$ 29,871,085

The accompanying notes are an integral part of these financial statements.

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

	General	Road Improvements Bond 2008	Debt Service	Other Governmental Funds	Total Governmental
REVENUES					
Property taxes	$ 21,126,392	$ -	$ 5,867,720	$ 8,365	$ 27,002,477
Beverage taxes	227,299	-	-	-	227,299
Fines and forfeitures	918,875	-	-	220,741	1,139,616
Sales taxes	-	-	-	347,819	347,819
Fees and commissions	3,260,138	-	-	2,234,763	5,494,901
Intergovernmental	180,590	-	-	202,757	383,347
Election	-	-	-	49,400	49,400
Investment earnings	33,442	46,545	4,148	4,168	88,303
Donations	-	-	-	7,320	7,320
Miscellaneous	77,809	-	-	15,175	92,984
Total revenues	25,824,545	46,545	5,871,868	3,090,508	34,833,466
EXPENDITURES					
Current:					
General government	3,213,110	-	-	432,477	3,645,587
Financial administration	1,661,744	-	-	-	1,661,744
Commissioner expenses	383,368	-	-	-	383,368
Roads and bridges	-	18,081,599	-	1,701,584	19,783,183
Public safety	10,332,029	-	-	1,002,269	11,334,298
Public facilities	555,226	-	-	-	555,226
Public services	436,810	-	-	103,780	540,590
Judicial	3,157,719	-	-	71,823	3,229,542
Legal	1,775,685	-	-	42,016	1,817,701
Culture and recreation	963,930	-	-	222,397	1,186,327
Health and welfare	969,274	-	-	200	969,474
Conservation	88,302	-	-	-	88,302
Capital outlay	1,395,272	-	-	169,286	1,564,558
Debt service:					
Principal	-	-	2,555,000	-	2,555,000
Interest and fiscal charges	-	-	3,134,254	-	3,134,254
Bond issuance cost and fees	-	574,710	2,800	-	577,510
Total expenditures	24,932,469	18,656,309	5,692,054	3,745,832	53,026,664
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	892,076	(18,609,764)	179,814	(655,324)	(18,193,198)
OTHER FINANCING SOURCES (USES)					
Issuance of long-term debt	-	39,050,000	-	-	39,050,000
Transfers in	-	-	-	810,853	810,853
Transfers out	(370,628)	-	-	(440,225)	(810,853)
Premium on issuance of bonds	-	2,082,407	-	-	2,082,407
Sale of capital assets	1,565,292	-	-	48,156	1,613,448
Total other financing sources and uses	1,194,664	41,132,407	-	418,784	42,745,855
NET CHANGE IN FUND BALANCES	2,086,740	22,522,643	179,814	(236,540)	24,552,657
FUND BALANCES, BEGINNING	16,422,818	13,612,604	1,717,636	5,679,892	37,432,950
FUND BALANCES, ENDING	$ 18,509,558	$ 36,135,247	$ 1,897,450	$ 5,443,352	$ 61,985,607

The accompanying notes are an integral part of these financial statements.

ROCKWALL COUNTY, TEXAS

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

Net change in fund balances - total governmental funds	$ 24,552,657
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(1,611,414)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	4,576,403
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(38,847,733)
Governmental funds report outlays for pension costs as expenditures. However, in the statement of activities the amount by which these outlays exceed the annual required contributions for the plan are not expenses. Instead these outlays are reported as an asset on the statement of net position.	426,094
Internal service funds are used by management to charge the costs of health insurance to individual funds.	(205,402)
Change in net position of governmental activities	$(11,109,395)

The accompanying notes are an integral part of these financial statements.

ROCKWALL COUNTY, TEXAS
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2013

	Governmental Activities Internal Service
ASSETS	
Current assets:	
Cash and cash equivalents	$ 440,819
Receivables (net of allowances for uncollectibles)	170,867
Total assets	611,686
LIABILITIES	
Current liabilities:	
Accounts payable	59,804
Claims payable	134,735
Total liabilities	194,539
NET POSITION	
Restricted	417,147
Total net position	$ 417,147

The accompanying notes are an integral part of these financial statements.

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

	Governmental Activities Internal Service
OPERATING REVENUES	
Charges for services	$ 3,327,263
Total operating revenues	3,327,263
OPERATING EXPENSES	
Insurance claims	2,643,137
Stop-loss insurance premiums	562,273
Administrative and other	328,014
Total operating expenses	3,533,424
OPERATING LOSS	(206,161)
NONOPERATING REVENUES (EXPENSES)	
Investment income	759
Total nonoperating revenues (expenses)	759
NET LOSS	(205,402)
NET POSITION, BEGINNING	622,549
NET POSITION, ENDING	$ 417,147

The accompanying notes are an integral part of these financial statements.

ROCKWALL COUNTY, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Governmental Activities Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from users	$ 3,372,911
Cash paid to employees	(394,716)
Cash paid to suppliers	(3,291,808)
Net cash used by operating activities	(313,613)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	759
Net cash provided by investing activities	759
NET DECREASE IN CASH AND CASH EQUIVALENTS	(312,854)
CASH AND CASH EQUIVALENTS, BEGINNING	753,673
CASH AND CASH EQUIVALENTS, ENDING	$ 440,819
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	$(206,161)
Change in assets and liabilities:	
Decrease (increase) in receivables	45,648
Increase (decrease) in accounts payable	3,772
Increase (decrease) in claims payable	(90,170)
Increase (decrease) in accrued liabilities	(66,702)
Total adjustments	(107,452)
Net cash used by operating activities	$(313,613)

The accompanying notes are an integral part of these financial statements.

ROCKWALL COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
SEPTEMBER 30, 2013

	Indigent Health Care Private-Purpose Trust	Agency Funds
ASSETS		
Cash and investments	$ 82,313	$ 4,943,388
Receivables	210	-
Total assets	82,523	4,943,388
LIABILITIES		
Accounts payable	59,856	-
Accrued expenses	5,105	-
Due to others	-	2,569,765
Due to other governments	-	2,373,623
Total liabilities	64,961	4,943,388
NET POSITION		
Held in trust	17,562	-
Total net position	$ 17,562	$ -

The accompanying notes are an integral part of these financial statements.

ROCKWALL COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Indigent Health Care Private-Purpose Trust
ADDITIONS	
County contributions	$ 200,000
Interest earnings	14
Total additions	200,014
DEDUCTIONS	
Administrative expenses	257,575
Total deductions	257,575
CHANGES IN NET POSITION	(57,561)
NET POSITION, BEGINNING	75,123
NET POSITION, ENDING	$ 17,562

The accompanying notes are an integral part of these financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Rockwall County (the "County") was founded in 1873 and operates under the laws of the State of Texas and subsequent court orders providing the following services: public safety (law enforcement and detention facilities, contracts for fire and ambulance service), public welfare (social services, public health), highways and streets, judicial administration and records, library, public improvements, and general administrative services.

The accompanying financial statements present the County and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County. Currently the County does not have any entities that meet the criteria of blended or discretely presented component units.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. 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 revenue, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. The County has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenue. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The primary revenue sources susceptible to accrual are property taxes, which are recognized as deferred revenue until cash is received, and grant income, which is accrued when the legal and contractual requirements of the individual programs are met. Expenditures are recorded when incurred. However, expenditures for principal and interest on general long-term debt, compensated absences, and claims and judgments are recorded when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

The County reports the following major governmental funds:

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

The ***Road Improvements Bond 2008 Fund*** accounts for the planning, engineering and construction of roads within Rockwall County. Bonds will be issued to finance this project.

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.

Additionally, the County reports the following fund types:

Internal Service Funds account for the County's self-insurance program and employees benefit fund.

Private-purpose Trust Fund accounts for resources legally held in trust by a not-for-profit organization devoted to providing indigent health care. All resources of the fund may be used for the organization's activities.

Agency Funds are used to report resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

D. Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents

For purposes of the statement of cash flows for the proprietary fund types, the County considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are reported at fair value, and the changes in the fair value of investments are recognized as investment revenue.

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 "due to/from other funds." The effect of interfund activity has been eliminated from the government-wide financial statements. All trade and property tax receivables are shown net of an allowance for uncollectable.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the governmental activities column in the government-wide financial statements. All capital assets are valued at their historical cost or estimated historical cost if actual historical cost is not available. Contributed assets are recorded at estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Improvements which extend asset lives are capitalized and depreciated over the useful lives of the related assets, as applicable. Capital assets are capitalized if they have an original cost of $5,000 or more and an expected useful life of over one year. When property or equipment is retired from service or otherwise disposed of, the cost and related accumulated depreciation are removed and any resulting gain or loss is reported in the statement of activities.

Infrastructure capital assets, such as streets, built and/or acquired since fiscal year 1960 are included.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range as follows:

Assets	Years
Infrastructure	10 - 40
Buildings	10 - 40
Improvements	5 - 40
Equipment	5 - 10

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

Bond Issuance Costs

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period in the fund financial statements. Bond proceeds are reported as an "other financing source." Bond issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. In the government-wide financial statements, issuance cost are reported as deferred charges and amortized over the life of the related debt. Bonds payable are reported net of the applicable bond premium or discount.

Compensated Absences

A liability for unused paid time off and compensatory time for all fulltime employees is calculated and reported in the government-wide financial statements. For financial reporting, the following criteria must be met to be considered as compensated absences: a) leave or compensation is attributable to services already rendered, and b) leave or compensation is not contingent on a specific event (such as illness).

County employees earn annual leave up to a maximum of 20 days per year based on months of service. Fulltime regular employees earn 10 days of sick leave per year. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. Employees who have been employed for a year or more are eligible to be paid for all unused annual leave at their regular rate of pay upon termination of employment. Vacation pay is accrued when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

Property Taxes

Property subject to taxation is real property and certain personal property situated in the County. Certain properties of religious, educational and charitable organizations are exempt from taxation. In addition, other special exemptions are allowed by the Commissioners' Court of the County.

The County's ad valorem taxes are levied and become a legal enforceable claim, on October 1 on 100% of assessed valuation at a rate of $.3864 ($.3024 for the maintenance and operations and $.0840 for interest and sinking fund) per $100 valuation as of the preceding January 1. These taxes are due and payable from October 1 of the year in which levied until January 31 of the following year without interest or penalty. Taxes paid after February 1 of each year are subject to interest and penalty charges.

The County's taxes on real property are a lien (as of the date of levy) against such property until paid. The County may foreclose on real property upon which it has a lien for unpaid taxes. Delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title to the property.

Any liens and subsequent suits against the taxpayer for payment of delinquent personal property taxes are barred unless instituted within four years from the time such taxes became delinquent. Unlike real property, the sale or transfer of most personal property does not require any evidence that taxes thereon are paid.

Net Position

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

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by the Commissioners' Court, the County's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

- Assigned: This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the County Auditor.

- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The County Judge serves as the budget officer for the Commissioners' Court and submits the annual budget for approval where the legal level of control is by category. Amendments to the budget and additional appropriations must be approved by Commissioners' Court. Following is a summary of the budget calendar:

- The proposed budget is filed with the County Clerk and made available for public inspection.
- The Commissioners' Court holds a public hearing on the proposed budget and subsequently makes changes and approves the budget including the adoption of a property tax levy which is effective on October 1 preceding the beginning of the fiscal year.
- The approved budget is filed with the County Clerk.

- During the course of the budget year, it may be necessary to amend the budget. The Commissioners' Court may, by order, authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonable diligent thought and attention. The Commissioners' Court may issue an order to amend the budget by transferring an amount budgeted for one line item to another budgeted line item without authorizing an emergency expenditure.

III. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains, "Some liabilities, (such as notes payable, capital lease contract payable, long-term compensated absences, and bond payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position." The details of this $(110,922,965) difference are as follows:

Tax notes	$(106,415,000)
Premium on bonds	(2,971,008)
Accrued interest payable	(815,762)
Compensated absences	(596,506)
Deferred charge for bond issuance costs	1,548,348
Net OPEB obligation	(1,673,037)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$(110,922,965)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental fund and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $(1,611,414) difference are as follows:

Capital outlay	$ 1,432,406
Capital asset retirements	(769,903)
Depreciation expense	(2,273,917)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$(1,611,414)

Another element of that reconciliation states, "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds." The details of this $4,576,403 difference are as follows:

Property taxes	$ 41,198
Adjudicated fines	127,649
TxDOT grants	4,418,000
Other	(10,444)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ 4,576,403

Another element of that reconciliation states, "The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $(38,847,733) difference are as follows:

Principal repayments	$ 2,555,000
Interest payable	(276,016)
Limited tax notes proceeds	(38,472,490)
Bond discount/premium	(2,033,861)
Deferred charges	(72,825)
Compensated absences	(58,522)
OPEB obligation	(489,019)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net* position *of governmental activities*	$(38,847,733)

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

State statutes authorize the County to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or (b) secured by obligations that are described by (1) – (4); (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with a third party selected or approved the County, and placed through a primary government securities dealer.

Following are the County's investments at September 30, 2013:

	Fair Value	Weighted Average Maturity (Days)
TexPool	$ 10,845,750	60
MBIA Class	10,113,676	40
TexStar	358,349	52
LOGIC	36,336,213	57
Fannie Mae	1,001,460	1054
Fannie Mae	1,004,030	1093
Freddie Mac	1,005,860	1085
Total investments	$ 60,665,338	

Investment pools are not categorized as to investment risk since specific securities relating to the government cannot be identified. Investments in 2a7-like pools are valued based upon the value of pool shares. No investments are reported at amortized cost. The County currently invests in three 2a7-like pools, the Texas Local Government Investment Pool (TexPool), Texas Short Term Asset Reserve Program (TexStar), and the Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS).

Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool.

MBIA CLASS was created under the Texas Government Code Ch. 2256. Municipal Investors Service Corporation (MBIA) is the plan administrator. The Custodian and the Board of Trustees shall conduct the trust's activities. The Board of Trustees shall be made up of all the Trustees elected by the participants. The fair value of the County's position in these pools is the same as the value of the pool shares.

J. P. Morgan Fleming Asset Management (USA), Inc. ("JPMFAM") and First Southwest Asset Management, Inc. ("FSAM") serve as co-administrators for TexStar under an agreement with the TexStar board of directors. JPMFAM provides investment service and FSAM provides participant services and marketing. Custodial, transfer agency, fund accounting and depository services are provided by J. P. Morgan Chase Bank and/or its subsidiary, J. P. Morgan Investor Services Co. TexStar bylaws provide for a five-member board of directors consisting of three representatives of participants and one member designated by each of the co-administrators.

Interest Rate Risk. As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy requires that the maximum allowable stated maturity of any individual investment held in the General Fund shall not exceed 60 months nor shall the invested amount in such securities exceed 15% of the General Fund operating reserve. The maximum allowable stated maturity of any individual investment held in all other funds shall not exceed 24 months.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2013, the County's deposit balance was fully collateralized with securities held by the pledging financial institution in the County's name or by FDIC insurance.

Credit Risk. State law and county policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. The County's investments as of September 30, 2013, were rated as follows:

Investment Type	Rating	Rating Agency
TexPool	AAAm	Standard & Poor's
MBIA Class	AAAm	Standard & Poor's
TexStar	AAAm	Standard & Poor's
LOGIC	AAAm	Standard & Poor's
Fannie Mae	AA+	Standard & Poor's
Fannie Mae	AA+	Standard & Poor's
Freddie Mac	AA+	Standard & Poor's

B. Receivables and Deferred Revenues

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

	Governmental Funds				
	General	Debt Service	Road Improvements Bond 2008	Nonmajor Funds	Total
Receivables:					
Taxes	$ 731,128	$ 161,461	$ -	$ 70,320	$ 962,909
Adjudicated fines	15,923,802	-	-	-	15,923,802
Accounts	81,569	-	4,418,000	264,108	4,763,677
Interest	-	-	-	281	281
Gross receivables	16,736,499	161,461	4,418,000	334,709	21,650,669
Less: allowance for uncollectibles	14,444,906	25,278	-	38	14,470,222
Net total receivables	$ 2,291,593	$ 136,183	$ 4,418,000	$ 334,671	$ 7,180,447

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
General fund:		
Delinquent property taxes receivable	$ 504,845	$ -
Adjudicated fines receivable	1,592,380	-
Other	181	-
Total general fund	2,097,406	-
Road improvements bond 2008:		
Grants	4,418,000	-
Total road improvements bond 2008	4,418,000	-
Debt service:		
Delinquent property taxes receivable	124,779	-
Total debt service	124,779	-
Other governmental funds:		
Delinquent property taxes receivable	167	-
Grants		1,712
Lien assessments	218,478	-
Total other governmental funds	218,645	1,712
Total governmental funds	$ 6,858,830	$ 1,712

C. Capital Assets

Capital assets are recorded at cost or, if donated, at fair value at the date of receipt. Infrastructure assets are valued in two ways: either actual historical cost where the amount can be determined from existing records or using current cost deflated to the year of construction. Once the historical cost is determined, regardless of how it is determined, the asset is then depreciated over its useful life.

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 6,371,813	$ -	$(125,000)	$ 6,246,813
Construction in progress	36,819,378	620,184	(36,819,378)	620,184
Total assets not being depreciated	43,191,191	620,184	(36,944,378)	6,866,997
Capital assets, being depreciated:				
Buildings and improvements	24,129,704	37,066,148	(1,781,424)	59,414,428
Infrastructure	5,232,656	-	-	5,232,656
Machinery and equipment	7,933,307	565,452	(435,329)	8,063,430
Total capital assets being depreciated	37,295,667	37,631,600	(2,216,753)	72,710,514
Less accumulated depreciation:				
Buildings and improvements	(5,399,676)	(1,569,795)	1,173,175	(5,796,296)
Infrastructure	(2,454,214)	(112,127)	-	(2,566,341)
Machinery and equipment	(5,210,113)	(591,995)	398,675	(5,403,433)
Total accumulated depreciation	(13,064,003)	(2,273,917)	1,571,850	(13,766,070)
Total capital assets being depreciated, net	24,231,664	35,357,683	(644,903)	58,944,444
Governmental activities capital assets, net	$ 67,422,855	$ 35,977,867	$(37,589,281)	$ 65,811,441

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

Governmental activities:	
General government	$ 1,328,681
Financial administration	11,192
Roads and bridges	291,520
Public safety	267,248
Public facilities	630
Public services	40,685
Judicial	2,936
Legal	4,721
Culture and recreation	321,971
Health and welfare	4,333
Total depreciation expense - governmental activities	$ 2,273,917

D. Interfund Receivables/Payables and Transfers

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

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	$ 52
		$ 52

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made; and unsettled overdrafts of pooled cash which will be removed by rebalancing the funds' share of pooled cash and investments.

The following schedule briefly summarizes the County's transfer activity:

Transfers in	Transfers out	Amount
Nonmajor governmental	General	$ 370,628
Nonmajor governmental	Nonmajor governmental	440,225
		$ 810,853

Transfers are used to: 1) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and 2) move unrestricted revenues collected in Special Revenue Funds to the General Fund.

E. Long-term Liabilities

The County issues general obligation bonds and tax notes to finance major capital projects. General obligations debt, certificates of obligation and contractual obligations are generally payable from property tax revenues. All other obligations, including capital leases and compensated absences, are payable from revenues of the General Fund.

Tax Notes

	Date of Issue	Interest Rate	Principal Balance	Due Within One Year
$11,500,000 limited tax notes Series 2007	06/18/07	4.0% - 4.037%	$ 9,200,000	$ 485,000
$1,250,000 limited tax notes Series 2007	09/18/07	3.75% - 4.03%	200,000	200,000
$2,000,000 limited tax notes Series 2008A	09/25/08	4.09%	625,000	305,000
$24,705,000 tax refunding note Series 2009	02/01/09	2.00%-5.00%	22,285,000	690,000
$10,620,000 limited tax note Series 2009	02/01/09	2.75%-5.25%	9,600,000	295,000
$2,460,000 unlimited tax Series 2010	06/08/10	4.15%	2,265,000	75,000
$8,815,000 limited tax refunding Series 2010	06/08/10	3.65%	7,180,000	610,000
$16,010,000 limited tax refunding Series 2012	01/01/12	2.75%-4.5%	16,010,000	-
$24,205,000 unlimited tax Series 2012A	12/13/12	2.125%-5.00%	24,205,000	-
$14,845,000 limited tax refunding Series 2013	06/11/13	3.00%-4.00%	14,845,000	-
			$ 106,415,000	$ 2,660,000

The $11,500,000 Permanent Improvement Limited Tax Notes, Series 2007, were issued for the purpose of designing constructing and equipping of a new 52,000 square foot library. Principal maturities will occur annually beginning in February 2008. Interest payments will occur semi-annually in February and August with a range of 4.0% - 4.375%. The final principal and interest payment is due February 2027.

The $1,250,000 Limited Tax Notes, Series 2007, were issued for the purpose of purchasing computer equipment and software, audio/video equipment, security equipment, information systems, courtroom equipment, technology upgrades, office equipment, furniture and furnishing for County offices, voter election management system, voting registration card imaging, vehicles for Public Safety Departments, vehicles and equipment for road and bridge, construction of holding cells for County Court at Law and District Court, and acquisition of land and improvements for expansion for the jail and other county facilities. Principal maturities will occur annually beginning in February 2008. Interest payments will occur semi-annually in February and August with a range of 3.75% - 4.03%. The final principal and interest payment is due February 2014.

The $2,000,000 Limited Tax Notes, Series 2008A, were issued for the purpose of paying contractual obligations to be incurred in connection with acquiring, remodeling, improving, and equipping the Rockwall County Services Building located at 915 Whitmore Drive in Rockwall, Texas including the payment of the costs of issuance of the notes. The notes shall mature annually on February 1 beginning in the year 2009 and ending in the year 2015. Interest payments will occur semi-annually on February 1 and August 1 beginning in the year 2009 and ending February 1, 2015, at an annual rate of 4.09%.

The $24,705,000 Limited Tax Refunding Bonds – Series 2009, were issued to liquidate all but $5,000,000 of the $30,000,000 Tax Notes Series 2008 for the purpose of extending the amortization period to 25 years instead of the shorter seven-year period associated with the $30M Tax Notes 2008 bonds. This action had the effect of reducing the annual debt service associated with the liability and did not affect the original purpose of the funds, which is to pay for the construction of a new courthouse for the County.

$10,620,000 Unlimited Tax Road Bonds – Series 2009, were issued for the purpose of funding road improvement projects authorized by the voters in the 2004 $17.250M Road Bond Authorization and the 2008 $100M Road Bond Authorization. The proceeds were split with $8.120M allocated to projects authorized by the 2004 bond issue and $2.500M was allocated to projects authorized by the 2008 bond issue.

The $2,460,000 Unlimited Tax Series 2010, were issued for the purpose of providing funds for (i) permanent public improvements, to-wit: construction, maintenance and operation of macadamized, graveled or paved roads and highways, or in the aid thereof, throughout the County, including participating in the cost of joint projects with various state, city and regional council of government entities, and (ii) paying certain costs of issuing bonds. Principal maturities will occur annually beginning in February 2011. Interest payments will occur semi-annually in February and August at 4.146%. The final principal and interest payment is due February 2034.

The $8,815,000 Limited Tax Refunding Series 2010, were issued for the purpose of (i) refunding the refunded obligations and (ii) paying the costs of issuing the bonds. Principal maturities will occur annually beginning in February 2011. Interest payments will occur semi-annually in February and August at 3.653%. The final principal and interest payment is due February 2034.

The $16,010,000 Unlimited Tax Series 2012, were issued for (i) the purpose of providing funds for permanent public improvements, to-wit: construction, maintenance and operation of macadamized, graveled or paved roads and highways, or in the aid thereof, throughout the County, including participating in the cost of joint projects with various state, city and regional council of government entities, and (ii) paying certain costs of issuing the bonds. Principal maturities will occur annually beginning in February 2015. Interest payments will occur semi-annually in February and August with a range of 2.75%-4.50%. The final principal and interest payment is due February 2032.

The $24,205,000 Unlimited Tax Road Bonds – Series 2012A, were issued (i) for the construction, maintenance and operation of macadamized, graveled or paved roads and turnpikes, or in aid thereof, throughout the County, including participating in the cost of joint projects with various state, city and regional council of government entities; and (ii) to pay costs of issuance associated with the sale of the bonds. Principal maturities will occur annually beginning in February 2015. Interest payments will occur semi-annually in February and August with a range of 2.125%-5.00%. The final principal and interest payment is due February 2033.

The $14,845,000 Unlimited Tax Road Bonds – Series 2013, were issued (i) for the construction, maintenance and operation of macadamized, graveled or paved roads and turnpikes, or in aid thereof, throughout the County, including participating in the cost of joint projects with various state, city and regional council of government entities; and (ii) to pay costs of issuance associated with the sale of the bonds. Principal maturities will begin in February 2015 and occur annually beginning in February 2017. Interest payments will occur semi-annually in February and August with a range of 3.00%-4.00%. The final principal and interest payment is due February 2033.

The requirements to amortize all tax notes outstanding, as of September 30, 2012, are summarized as follows:

Fiscal Year Ending September 30,	Tax Notes		
	Principal	Interest	Total
2014	$ 2,660,000	$ 4,835,783	$ 7,495,783
2015	3,305,000	4,049,881	7,354,881
2016	4,120,000	3,902,881	8,022,881
2017	5,120,000	3,711,065	8,831,065
2018	5,635,000	3,482,425	9,117,425
2019-2023	27,445,000	14,011,360	41,456,360
2024-2028	28,350,000	8,876,677	37,226,677
2029-2033	27,025,000	3,629,854	30,654,854
2034-2038	2,755,000	68,694	2,823,694
Total	$ 106,415,000	$ 46,568,620	$ 152,983,620

F. Changes in Long-term Debt

The following is a summary of long-term debt transactions of the County for the fiscal year ended September 30, 2013:

Description	Amounts Outstanding September 30, 2012	Issued	Retired	Amounts Outstanding September 30, 2013	Due Within One Year
Tax notes	$ 69,920,000	$ 39,050,000	$ 2,555,000	$ 106,415,000	$ 2,660,000
Bond premiums/discounts	937,147	2,082,407	48,546	2,971,008	158,146
Compensated absences	537,984	533,937	475,415	596,506	119,301
Net OPEB obligation	1,184,018	589,000	99,981	1,673,037	-
	$ 72,579,149	$ 42,255,344	$ 3,178,942	$ 111,655,551	$ 2,937,447

G. Pension Plans

Defined Benefit Plan – Texas County and District Retirement System (TCDRS)

Plan Description

Rockwall County provides retirement, disability, and death benefits for all of its regular fulltime and part-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer retirement system consisting of 641 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the Commissioners' Court of the County, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service, but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and county-financed monetary credits. The level of these credits is adopted by the Commissioners' Court of the County within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the County's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the county-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The employer has elected the annually determined contribution rate (Variable Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the required contribution rate of the employer is actuarially determined annually. The employer may contribute at an elected contribution rate that is higher. For the months of January-September 2013, the employer contributed at an elected rate of 9% versus the required rate of 6.63%. For the months of October-December 2012, the employer contributed 9% versus the required rate of 6.62%.

The deposit rate payable by the employee members for calendar year 2013 is the rate of 7% as adopted by the Commissioners' Court of the County. The employee deposit rate and the employer deposit rate may be changed by the Commissioners' Court of the County within the options available in the TCDRS Act.

Annual Pension Cost

For the employer's accounting year ended September 30, 2013, the annual required contribution for the TCDRS plan was $927,909, and the actual contributions were $1,260,133. The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2012 and December 31, 2011, the basis for determining the contribution rates for calendar years 2013 and 2012. The December 31, 2012, actuarial valuation is the most recent valuation.

Actuarial Liabilities and Funding Progress

Actuarial Valuation Date	12/31/10	12/31/11	12/31/12
Actuarial cost method	entry age	entry age	entry age
Amortization method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, closed
Amortization period	30	30	0.6
Asset valuation method	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value
Actuarial Assumptions:			
Investment return[1]	8.00%	8.00%	8.00%
Projected salary increases[1]	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

[1] Includes inflation at the state rate

Trend Information for the Retirement Plan for the Employees of Rockwall County

Fiscal year	2011	2012	2013
Annual required contribution (ARC)	$ 969,960	$ 911,794	$ 927,909
Interest on net pension obligation	(345,538)	(390,326)	(423,595)
Adjustment to ARC	268,967	303,829	329,726
Annual pension cost	893,389	825,297	834,040
Contributions made	(1,453,238)	(1,241,157)	(1,260,133)
Net pension obligation (asset), beginning of year	(4,319,223)	(4,879,072)	(5,294,932)
Change in net pension obligation (asset)	(559,849)	(415,860)	(426,093)
Net pension obligation (asset), end of year	$(4,879,072)	$(5,294,932)	$(5,721,025)
Percentage of APC contributed	162.7%	150.4%	151.1%

Schedule of Funding Progress for the Retirement Plan
For the Employees of Rockwall County

Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (1) (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2012	$ 33,405,182	$ 33,886,486	$ 481,304	98.58%	$ 13,842,593	3.48%

H. Other Post-retirement Health Care Benefits

The County provides certain health care and life insurance benefits, under county policy, for all active employees upon retirement that meet one of the following requirements: age 60 with 8 or more years of service, at least 30 years of service at any age, or a combined age plus service of at least 75.

A retiree may choose to receive health care coverage through the County's self-insured plan if retiring prior to age 65 or the retiree may choose to obtain coverage through the County Choice Silver plan offered by Texas Association of Counties if retiring at age 65 or older. As noted, it is the retiree's option to choose either based upon age and other qualifying requirements when retirement occurs. The retiree is free to choose an independent plan for coverage. To offset the cost of health care coverage, the County provides a $200 monthly stipend to qualified retirees. Spouses are not eligible for the stipend unless they are also qualified County retirees. The stipend applies to both pre-65 and post-65 retirees. The stipend benefit is subject to approval by the Commissioners' Court on an annual basis. The stipend benefit has been offered to qualified retirees since 2002, although amounts have changed over time.

Expenses for post-retirement health care benefits are recognized on a pay-as-you-go basis. During the year, post-retirement health care benefits paid by the County were $193,866. The County does not produce separately issued financial statements for the benefit plan.

I. Post-retirement Health Care Benefits

Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The County's annual OPEB cost for the current year and the related information is listed below:

Annual Required Contribution (ARC)	$ 581,000
Interest on Net OPEB Obligation	53,000
Adjustment to the ARC	(45,000)
Annual OPEB Cost	589,000
Employer Contributions with Interest	(99,981)
Increase (Decrease) in Net OPEB Obligation	489,019
Net OPEB Obligation, beginning of year	1,184,018
Net OPEB Obligation, end of year	$ 1,673,037

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current year (4.5% discount rate, and level percent of pay amortization).

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage Contributed	Net OPEB Obligation
09/30/11	524,271	132,000	25%	737,688
09/30/12	540,196	93,866	17%	1,184,018
09/30/13	589,000	99,981	17%	1,673,037

Funding Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/01/12	$ -	$ 4,250,000	$ 4,250,000	- %	$ 14,001,483	30.35%

The projection of future payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the County and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Methods and Assumptions

The actuarial methods and significant assumptions used are as follows:

Actuarial Valuation Date	10/01/12
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level percent of payroll
Remaining Amortization Period	30 years; open
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	4.5%
Payroll Growth Rate	3%
Projected Salary Increases	3.5%
General Inflation Rate	3%
Healthcare cost trend rate	9%
The number of active members is assumed to remain constant in the future	

J. Health Care Coverage (Self-insured Plan)

During the year ended September 30, 2013, employees of the County were covered by a health insurance plan (the "Plan"). The County contributed $10,531 per year per employee. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid into the County's Insurance Trust Fund. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

L. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the County carries commercial insurance. The County participates in a risk management program through Texas Association of Counties for workers' compensation coverage. The County currently provides health benefits for its employees.

The County has not had any significant reductions in insurance coverage from coverage in the prior year. The amount of settlements has not exceeded insurance coverage in any of the previous three years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement tends including frequency and amount of payouts and other economic and social factors. The liability for claims and judgments is reported in the Internal Service Fund. An excess coverage policy covers $70,000 per participant annually and $2,000,000 annual maximum benefit. Changes in the balances of claims liabilities during the past two years are as follows:

	Years Ended	
	9/30/2013	9/30/2012
Unpaid claims at beginning of year	$ 224,905	$ 189,085
Incurred claims (including IBNRs)	3,533,424	3,849,768
Claim payments	(3,623,594)	(3,813,948)
Unpaid claims at end of year	$ 134,735	$ 224,905

M. Commitments and Contingencies

The County is the defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of management, the outcome of these lawsuits will not have a material adverse effect on the accompanying combined financial statements and, accordingly, no provision for losses has been recorded.

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at September 30, 2013, may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

REQUIRED
SUPPLEMENTARY INFORMATION

ROCKWALL COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	$ 21,444,071	$ 21,444,071	$ 21,126,392	$(317,679)
Beverage taxes	225,000	225,000	227,299	2,299
Fines and forfeitures	985,000	985,000	918,875	(66,125)
Other taxes	30,000	30,000	-	(30,000)
Fees and commissions	2,460,791	2,460,791	3,260,138	799,347
Intergovernmental	198,015	198,015	180,590	(17,425)
Investment earnings	120,400	120,400	33,442	(86,958)
Miscellaneous	27,100	15,173	77,809	62,636
Total revenues	25,490,377	25,478,450	25,824,545	346,095
EXPENDITURES				
Current:				
General government:				
County judge	116,982	116,982	111,925	5,057
County clerk	790,304	790,329	768,164	22,165
Information services	415,816	425,546	388,707	36,839
Nondepartmental	2,387,616	1,903,514	1,638,931	264,583
Human resources	45,523	45,523	44,104	1,419
Centralized collections	120,069	120,504	118,551	1,953
Commissioners' court	144,472	143,394	142,728	666
Total general government	4,020,782	3,545,792	3,213,110	332,682
Financial administration:				
Tax assessor/collector	495,052	495,052	488,742	6,310
County treasurer	358,677	357,007	345,579	11,428
County auditor	483,752	483,752	477,066	6,686
Noncapital equipment	241,143	241,143	241,143	-
Human Resources	112,139	112,156	109,214	2,942
Total financial administration	1,690,763	1,689,110	1,661,744	27,366
Commissioner expenses:				
County commissioner, precinct #1	100,209	100,209	99,288	921
County commissioner, precinct #2	95,556	95,556	92,344	3,212
County commissioner, precinct #3	97,556	97,556	95,655	1,901
County commissioner, precinct #4	96,817	96,817	96,081	736
Total commissioner expenses	390,138	390,138	383,368	6,770
Public safety:				
Sheriff's department	4,162,557	4,068,308	4,057,655	10,653
County jail	5,312,838	5,529,814	5,527,253	2,561
Other law enforcement	455,392	459,542	459,666	(124)
Constable #1	67,063	66,863	63,837	3,026
Constable #2	64,163	63,258	57,722	5,536
Constable #3	84,205	83,520	80,211	3,309
Constable #4	89,763	88,728	85,685	3,043
Total public safety	10,235,981	10,360,033	10,332,029	28,004

ROCKWALL COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget - Positive (Negative)
Public facilities				
Maintenance and operations	$ 492,083	$ 568,663	$ 555,226	$ 13,437
Total public facilities	492,083	568,663	555,226	13,437
Public services:				
Election administrator	395,428	397,856	381,943	15,913
VINE program	-	-	17,369	(17,369)
TCEQ grant	37,498	37,498	37,498	-
Total public services	432,926	435,354	436,810	(1,456)
Judicial:				
District clerk	785,517	785,560	783,057	2,503
District judge	1,280,805	1,281,116	1,027,314	253,802
Justice of the peace, precinct #1	269,074	252,654	238,374	14,280
Justice of the peace, precinct #2	263,928	263,928	258,101	5,827
Justice of the peace, precinct #3	124,377	127,577	108,440	19,137
Justice of the peace, precinct #4	124,377	144,097	132,282	11,815
Court at law	611,215	611,215	610,151	1,064
Total judicial	3,459,293	3,466,147	3,157,719	308,428
Legal:				
District attorney	1,775,521	1,785,584	1,775,685	9,899
Total legal	1,775,521	1,785,584	1,775,685	9,899
Culture and recreation:				
County library	979,401	979,401	963,930	15,471
Total culture and recreation	979,401	979,401	963,930	15,471
Health and welfare:				
County health coordinator	150,841	150,841	148,514	2,327
Welfare	314,450	317,494	300,881	16,613
Ambulance	249,017	260,017	259,875	142
911 services	65,830	64,840	60,004	4,836
Indigent health care	500,000	500,000	200,000	300,000
Total health and welfare	1,280,138	1,293,192	969,274	323,918
Conservation:				
County agent	92,514	92,514	88,302	4,212
Total conservation	92,514	92,514	88,302	4,212
Total current expenditures	24,849,540	24,605,928	23,537,197	1,068,731

ROCKWALL COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget - Positive (Negative)
Noncurrent:				
Capital outlay:				
Capital equipment	$ 1,863,586	$ 2,107,975	$ 1,173,350	$ 934,625
Capital improvements	300,000	307,000	221,922	85,078
Total capital outlay	2,163,586	2,414,975	1,395,272	1,019,703
Total expenditures	27,013,126	27,020,903	24,932,469	2,088,434
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,522,749)	(1,542,453)	892,076	2,434,529
OTHER FINANCING SOURCES (USES)				
Transfers out	(370,295)	(373,445)	(370,628)	2,817
Proceeds from sale of assets	10,000	10,000	1,565,292	1,555,292
Total other financing sources (uses)	(360,295)	(363,445)	1,194,664	1,558,109
NET CHANGE IN FUND BALANCE	(1,883,044)	(1,905,898)	2,086,740	3,992,638
FUND BALANCES, BEGINNING	16,422,818	16,422,818	16,422,818	-
FUND BALANCES, ENDING	$ 14,539,774	$ 14,516,920	$ 18,509,558	$ 3,992,638

ROCKWALL COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR PARTICIPATION IN TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of of Covered Payroll (b-a)/(c)
12/31/2010	27,463,296	27,519,567	99.8%	56,271	12,967,683	0.43%
12/31/2011	30,629,673	30,748,744	99.6%	119,071	13,509,564	0.88%
12/31/2012	33,405,182	33,886,486	98.6%	481,304	13,842,593	3.48%

ROCKWALL COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
POST-RETIREMENT HEALTH CARE BENEFIT PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of of Covered Payroll (b-a)/(c)
09/30/2008	$ -	$ 1,593,000	0.0%	$ 1,593,000	$ 13,275,117	12.00%
09/30/2010	-	3,719,000	0.0%	3,719,000	13,369,310	27.82%
09/30/2012	-	4,250,000	0.0%	4,250,000	13,842,593	30.70%

ROCKWALL COUNTY, TEXAS
COMBINING BALANCE SHEET
GOVERNMENT FUNDS
SEPTEMBER 30, 2013

	Special Revenue			
	Emergency Management	Fire Code Enforcement	Court Record Preservation	District Court Records Technology
ASSETS				
Cash and investments	$ 11,832	$ 111,497	$ 50,049	$ 24,919
Receivables (net of allowance for uncollectibles)				
Taxes	-	-	-	-
Accounts	49,594	-	-	-
Interest	-	-	-	-
Total assets	$ 61,426	$ 111,497	$ 50,049	$ 24,919
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 4,206	$ 2,316	$ -	$ -
Accrued expenses	5,165	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	9,371	2,316	-	-
Fund balances:				
Restricted for:				
Records preservation and management	-	-	50,049	-
Court security and technology	-	-	-	24,919
Legal	-	-	-	-
Public safety	52,055	109,181	-	-
Judicial	-	-	-	-
Capital acquisition and construction	-	-	-	-
Culture and recreation	-	-	-	-
Roads and bridges	-	-	-	-
Elections assistance and administration	-	-	-	-
Total fund balances	52,055	109,181	50,049	24,919
Total liabilities and fund balances	$ 61,426	$ 111,497	$ 50,049	$ 24,919

Special Revenue							
Law Library	County/ District Court Technology	Justice Court Building Security	D. A. State	D. A. Forfeiture	Cities Readiness Initiative	Help America Vote Grant	Sheriff's Abandoned Property
$ 191,463	$ 10,124	$ 35,578	$ 18,438	$ 112,788	$ -	$ -	$ 7,079
-	-	-	-	-	-	-	-
-	-	-	-	-	52	-	-
-	-	-	-	-	-	-	-
$ 191,463	$ 10,124	$ 35,578	$ 18,438	$ 112,788	$ 52	$ -	$ 7,079
$ 1,055	$ -	$ -	$ 33	$ 2	$ -	$ -	$ -
515	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	52	-	-
1,570	-	-	33	2	52	-	-
-	-	-	-	-	-	-	-
-	10,124	35,578	-	-	-	-	-
189,893	-	-	18,405	112,786	-	-	-
-	-	-	-	-	-	-	7,079
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
189,893	10,124	35,578	18,405	112,786	-	-	7,079
$ 191,463	$ 10,124	$ 35,578	$ 18,438	$ 112,788	$ 52	$ -	$ 7,079

ROCKWALL COUNTY, TEXAS
COMBINING BALANCE SHEET
GOVERNMENT FUNDS
SEPTEMBER 30, 2013

	Special Revenue			
	Errors and Omissions Insurance	Public Safety Sales Tax	Child Abuse Prevention	District Clerk Records Management
ASSETS				
Cash and investments	$ 142,830	$ 104,879	$ -	$ 14,942
Receivables (net of allowance for uncollectibles)				
Taxes	-	70,101	-	-
Accounts	-	-	-	-
Interest	-	-	-	-
Total assets	$ 142,830	$ 174,980	$ -	$ 14,942
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 21
Accrued expenses	-	-	-	287
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	-	308
Fund balances:				
Restricted for:				
Records preservation and management	-	-	-	14,634
Court security and technology	-	-	-	-
Legal	-	-	-	-
Public safety	-	174,980	-	-
Judicial	142,830	-	-	-
Capital acquisition and construction	-	-	-	-
Culture and recreation	-	-	-	-
Roads and bridges	-	-	-	-
Elections assistance and administration	-	-	-	-
Total fund balances	142,830	174,980	-	14,634
Total liabilities and fund balances	$ 142,830	$ 174,980	$ -	$ 14,942

Special Revenue								
Court Reporter Service	Appellate Justice System	Justice Court Technology	CC Records Management and Preservation	CC Vital Statistics	CC Archival Fee	SCAAP Grant	Records Management and Preservation	Courthouse Security
$ 201,200	$ 22,459	$ 199,993	$ 978,328	$ 29,711	$ 121,682	$ 29,202	$ 114,989	$ 68,564
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$ 201,200	$ 22,459	$ 199,993	$ 978,328	$ 29,711	$ 121,682	$ 29,202	$ 114,989	$ 68,564
$ 300	$ 7,383	$ 76	$ 3,789	$ -	$ -	$ 11	$ 720	$ 3,876
-	-	-	1,085	-	-	-	-	6,773
-	-	-	-	-	-	1,712	-	-
-	-	-	-	-	-	-	-	-
300	7,383	76	4,874	-	-	1,723	720	10,649
-	-	-	973,454	29,711	121,682	27,479	114,269	-
-	-	-	-	-	-	-	-	57,915
200,900	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	15,076	199,917	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
200,900	15,076	199,917	973,454	29,711	121,682	27,479	114,269	57,915
$ 201,200	$ 22,459	$ 199,993	$ 978,328	$ 29,711	$ 121,682	$ 29,202	$ 114,989	$ 68,564

ROCKWALL COUNTY, TEXAS
COMBINING BALANCE SHEET
GOVERNMENT FUNDS
SEPTEMBER 30, 2013

	Special Revenue			
	Election Services	Library Building	Sheriff	Library
ASSETS				
Cash and investments	$ 102,577	$ 49,627	$ 32,976	$ 210,417
Receivables (net of allowance for uncollectibles)				
Taxes	-	-	-	-
Accounts	-	-	-	-
Interest	-	-	-	-
Total assets	$ 102,577	$ 49,627	$ 32,976	$ 210,417
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ 4,518	$ -	$ -
Accrued expenses	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	4,518	-	-
Fund balances:				
Restricted for:				
Records preservation and management	-	-	-	-
Court security and technology	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	32,976	-
Judicial	-	-	-	-
Capital acquisition and construction	-	-	-	-
Culture and recreation	-	45,109	-	210,417
Roads and bridges	-	-	-	-
Elections assistance and administration	102,577	-	-	-
Total fund balances	102,577	45,109	32,976	210,417
Total liabilities and fund balances	$ 102,577	$ 49,627	$ 32,976	$ 210,417

Special Revenue				Capital Projects				
D. A. Hot Check Fees	Road and Bridge	Energy Efficiency Grant	Juvenile Delinquency Prevention	Library Construction Bond	Historic Courthouse	Library Renovation	Veterans Memorial	Total
$ 39,061	$ 2,256,773	$ -	$ 50	$ 138,942	$ -	$ 548	$ 8	$ 5,433,525
-	181	-	-	-	-	-	-	70,282
-	214,462	-	-	-	-	-	-	264,108
-	281	-	-	-	-	-	-	281
$ 39,061	$ 2,471,697	$ -	$ 50	$ 138,942	$ -	$ 548	$ 8	$ 5,768,196
$ -	$ 35,843	$ -	$ -	$ 5,678	$ -	$ -	$ -	$ 69,827
-	20,783	-	-	-	-	-	-	34,608
-	218,645	-	-	-	-	-	-	220,357
-	-	-	-	-	-	-	-	52
-	275,271	-	-	5,678	-	-	-	324,844
-	-	-	-	-	-	-	-	1,331,278
-	-	-	-	-	-	-	-	128,536
39,061	-	-	-	-	-	-	-	561,045
-	-	-	50	-	-	-	-	376,321
-	-	-	-	-	-	-	-	357,823
-	-	-	-	133,264	-	548	8	133,820
-	-	-	-	-	-	-	-	255,526
-	2,196,426	-	-	-	-	-	-	2,196,426
-	-	-	-	-	-	-	-	102,577
39,061	2,196,426	-	50	133,264	-	548	8	5,443,352
$ 39,061	$ 2,471,697	$ -	$ 50	$ 138,942	$ -	$ 548	$ 8	$ 5,768,196

ROCKWALL COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENT FUNDS SEPTEMBER 30, 2013

	Special Revenue			
	Emergency Management	Fire Code Enforcement	Court Record Preservation	District Court Records Technology
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Fines and forfeitures	-	-	-	-
Sales taxes	-	-	-	-
Fees and commissions	198,375	10,759	15,550	8,535
Intergovernmental	-	-	-	-
Election	-	-	-	-
Investment earnings	11	-	-	-
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	198,386	10,759	15,550	8,535
EXPENDITURES				
Current:				
General government	-	-	-	-
Roads and bridges	-	-	-	-
Public safety	168,455	10,662	-	-
Public service	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	168,455	10,662	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	29,931	97	15,550	8,535
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Total other revenues and financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	29,931	97	15,550	8,535
FUND BALANCES/EQUITY, BEGINNING	22,124	109,084	34,499	16,384
FUND BALANCES/EQUITY, ENDING	$ 52,055	$ 109,181	$ 50,049	$ 24,919

Special Revenue							
Law Library	County/ District Court Technology	Justice Court Building Security	D. A. State	D. A. Forfeiture	Cities Readiness Initiative	Help America Vote Grant	Sheriff's Abandoned Property
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	23,789	-	-	-
-	-	-	-	-	-	-	-
54,617	3,656	-	-	-	-	-	1,629
-	-	-	22,500	-	40,249	18,248	-
-	-	-	-	-	-	-	-
160	-	29	-	119	-	-	3
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
54,777	3,656	29	22,500	23,908	40,249	18,248	1,632
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	40,249	18,248	-
-	-	2,933	-	-	-	-	-
-	-	-	22,448	8,192	-	-	-
50,682	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	275	-	-	-
50,682	-	2,933	22,448	8,467	40,249	18,248	-
4,095	3,656	(2,904)	52	15,441	-	-	1,632
1,400	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,400	-	-	-	-	-	-	-
5,495	3,656	(2,904)	52	15,441	-	-	1,632
184,398	6,468	38,482	18,353	97,345	-	-	5,447
$ 189,893	$ 10,124	$ 35,578	$ 18,405	$ 112,786	$ -	$ -	$ 7,079

ROCKWALL COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENT FUNDS SEPTEMBER 30, 2013

	Special Revenue			
	Errors and Omissions Insurance	Public Safety Sales Tax	Child Abuse Prevention	District Clerk Records Management
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Fines and forfeitures	-	-	-	-
Sales taxes	-	347,819	-	-
Fees and commissions	8,190	-	-	9,236
Intergovernmental	-	-	-	-
Election	-	-	-	-
Investment earnings	108	53	-	-
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	8,298	347,872	-	9,236
EXPENDITURES				
Current:				
General government	-	-	-	-
Roads and bridges	-	-	-	-
Public safety	-	554,224	-	-
Public service	-	-	-	-
Judicial	-	-	-	12,767
Legal	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	200	-
Capital outlay	-	-	-	785
Total expenditures	-	554,224	200	13,552
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,298	(206,352)	(200)	(4,316)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	180,000	-	-
Transfers out	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Total other revenues and financing sources (uses)	-	180,000	-	-
NET CHANGE IN FUND BALANCES	8,298	(26,352)	(200)	(4,316)
FUND BALANCES/EQUITY, BEGINNING	134,532	201,332	200	18,950
FUND BALANCES/EQUITY, ENDING	$ 142,830	$ 174,980	$ -	$ 14,634

Special Revenue								
Court Reporter Service	Appellate Justice System	Justice Court Technology	CC Records Management and Preservation	CC Vital Statistics	CC Archival Fee	SCAAP Grant	Records Management and Preservation	Courthouse Security
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
23,415	8,190	17,852	123,690	6,061	111,640	-	32,195	54,328
-	-	-	-	-	-	31,098	-	-
-	-	-	-	-	-	-	-	-
144	14	194	1,051	-	-	-	61	8
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
23,559	8,204	18,046	124,741	6,061	111,640	31,098	32,256	54,336
-	-	-	22,487	6,144	399,997	-	3,849	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	31,097	-	214,109
-	-	-	-	-	-	-	-	-
14,650	7,383	34,090	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	18,177	-	-	-	-	1,223
14,650	7,383	34,090	40,664	6,144	399,997	31,097	3,849	215,332
8,909	821	(16,044)	84,077	(83)	(288,357)	1	28,407	(160,996)
-	-	-	-	29,794	410,431	27,478	-	161,750
-	-	-	(440,225)	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	(440,225)	29,794	410,431	27,478	-	161,750
8,909	821	(16,044)	(356,148)	29,711	122,074	27,479	28,407	754
191,991	14,255	215,961	1,329,602	-	(392)	-	85,862	57,161
$ 200,900	$ 15,076	$ 199,917	$ 973,454	$ 29,711	$ 121,682	$ 27,479	$ 114,269	$ 57,915

ROCKWALL COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENT FUNDS SEPTEMBER 30, 2013

	Special Revenue			
	Election Services	Library Building	Sheriff	Library
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Fines and forfeitures	-	-	-	72,925
Sales taxes	-	-	-	-
Fees and commissions	-	-	-	19,991
Intergovernmental	-	-	552	-
Election	49,400	-	-	-
Investment earnings	-	-	-	-
Donations	-	7,320	-	-
Miscellaneous	-	-	13,975	-
Total revenues	49,400	7,320	14,527	92,916
EXPENDITURES				
Current:				
General government	-	-	-	-
Roads and bridges	-	-	-	-
Public safety	-	-	21,307	-
Public service	45,283	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Culture and recreation	-	33,898	-	91,095
Health and welfare	-	-	-	-
Capital outlay	598	29,949	-	-
Total expenditures	45,881	63,847	21,307	91,095
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,519	(56,527)	(6,780)	1,821
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Total other revenues and financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	3,519	(56,527)	(6,780)	1,821
FUND BALANCES/EQUITY, BEGINNING	99,058	101,636	39,756	208,596
FUND BALANCES/EQUITY, ENDING	$ 102,577	$ 45,109	$ 32,976	$ 210,417

Special Revenue				Capital Projects				
D. A. Hot Check Fees	Road and Bridge	Energy Efficiency Grant	Juvenile Delinquency Prevention	Library Construction Bond	Historic Courthouse	Library Renovation	Veterans Memorial	Total
$ -	$ 8,365	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,365
10,577	113,450	-	-	-	-	-	-	220,741
-	-	-	-	-	-	-	-	347,819
-	1,526,854	-	-	-	-	-	-	2,234,763
-	83,802	-	-	-	-	-	-	202,757
-	-	-	-	-	-	-	-	49,400
-	2,037	-	-	172	4	-	-	4,168
-	-	-	-	-	-	-	-	7,320
-	1,200	-	-	-	-	-	-	15,175
10,577	1,735,708	-	-	172	4	-	-	3,090,508
-	-	-	-	-	-	-	-	432,477
-	1,701,584	-	-	-	-	-	-	1,701,584
-	-	-	-	-	-	-	-	1,002,269
-	-	-	-	-	-	-	-	103,780
-	-	-	-	-	-	-	-	71,823
11,376	-	-	-	-	-	-	-	42,016
-	-	-	-	46,722	-	-	-	222,397
-	-	-	-	-	-	-	-	200
-	98,583	-	-	5,267	4,096	-	6,440	169,286
11,376	1,800,167	-	-	51,989	4,096	-	6,440	3,745,832
(799)	(64,459)	-	-	(51,817)	(4,092)	-	(6,440)	(655,324)
-	-	-	-	-	-	-	-	810,853
-	-	-	-	-	-	-	-	(440,225)
-	48,156	-	-	-	-	-	-	48,156
-	48,156	-	-	-	-	-	-	418,784
(799)	(16,303)	-	-	(51,817)	(4,092)	-	(6,440)	(236,540)
39,860	2,212,729	-	50	185,081	4,092	548	6,448	5,679,892
$ 39,061	$ 2,196,426	$ -	$ 50	$ 133,264	$ -	$ 548	$ 8	$ 5,443,352

ROCKWALL COUNTY, TEXAS
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2013

	Tax Assessor/ Collector	County Clerk	District Attorney	District Clerk	Sheriff	Bail Bond Board	Totals
ASSETS							
Cash and investments	$ 2,373,623	$ 218,570	$ 375,962	$ 913,851	$ 105,820	$ 955,562	$ 4,943,388
Total assets	$ 2,373,623	$ 218,570	$ 375,962	$ 913,851	$ 105,820	$ 955,562	$ 4,943,388
LIABILITIES							
Due to others	$ -	$ 218,570	$ 375,962	$ 913,851	$ 105,820	$ 955,562	$ 2,569,765
Due to other governments	2,373,623	-	-	-	-	-	2,373,623
Total liabilities	$ 2,373,623	$ 218,570	$ 375,962	$ 913,851	$ 105,820	$ 955,562	$ 4,943,388