

Rockwall County, Texas

Comprehensive Annual Financial Report

For The Fiscal Year Ended
September 30, 2014



Lisa Constant Wylie
County Auditor

ROCKWALL COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

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LISA CONSTANT
County Auditor

April 14, 2015

The Honorable District Judges
Brett Hall, 382nd Judicial District
David Rakow, 439th Judicial District

The Honorable Commissioners Court, Rockwall County, Texas
David Sweet, County Judge
Cliff Sevier, County Commissioner, Precinct 1
Lee Gilbert, County Commissioner, Precinct 2
Dennis Bailey, County Commissioner, Precinct 3
David Magness, County Commissioner, Precinct 4

The Citizens of Rockwall County

Ladies and Gentlemen:

State Law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2014.

This report consists of management's representations concerning the finances of Rockwall County. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As financial management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Pattillo, Brown & Hill, L.L.P., a firm of licensed certified public accountants, has audited Rockwall County financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30th are free of material misstatements. The independent audit involving examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing principles used and significant estimates made by management; and evaluating the overall financial presentation. Pattillo, Brown & Hill has issued an unmodified ("clean") opinion on the County of Rockwall's financial statements for the year ended September 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

The independent audit of the financial statements of the County of Rockwall was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal and state awards. These reports are available in a separately issued Single-Audit reporting package.

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

Profile of the Government

Rockwall County was organized in 1873 and is located approximately 25 miles east of the City of Dallas. The County of Rockwall is considered to be one of the top growth areas in both the state and the nation. The County's population has grown by 82% over the 2000 census to the 2010 census. The 2010 census population for the County is approximately 78,337, while the estimated 2020 population is 118,546. The County has a land area of approximately 149 square miles. The City of Rockwall is the County Seat.

The County of Rockwall operates as specified under the Constitution of the State of Texas and statutes which provide for a Commissioners Court consisting of the County Judge and four Commissioners, one for each of four geographical Commissioners Precincts. The County Judge is elected for a term of four years and the Commissioners for four year staggered terms. Other major County elective officers include the County Clerk and the County Treasurer. The County Auditor is appointed for a term of two years by and serves at the will of the District Judges whose courts are located in the County of Rockwall.

The County of Rockwall provides essential elements that make our communities livable: county roads and bridges, public improvements, juvenile probation and education, law enforcement and corrections, a court system to protect our legal rights, secure storage of our important public records and protection against threats to public health, to include providing health care to the indigent. The County of Rockwall, shares along with its cities, the expense to provide emergency medical services and fire protection services that adds to the safety for local residents.

The County Judge serves as budget officer for the Commissioners Court of the county. The County Judge is responsible for preparing a county budget for each fiscal year. The County Judge assisted by the County Auditor shall prepare a budget to cover all proposed expenditures of the county government for the succeeding fiscal year. In preparing the budget, the County Judge may require any county officer to furnish existing information necessary for the judge to properly prepare the budget. The budget shall be itemized to allow as clear a comparison as practical between expenditures included in the proposed budget and actual expenditures for the same or similar purposes that were made for the preceding fiscal year. The budget must show as definitely as possible the purpose of each expenditure and the amount of money to be spent.

In preparing the budget, the county judge and county auditor estimates the revenue to be derived from taxes to be levied and collected in the succeeding fiscal year and shall include that revenue in the estimate of funds available to cover the proposed budget.

When the county judge has completed the preparation of the budget, the judge shall file a copy of the proposed draft budget with the county clerk. The copy shall be available for inspection by any person. The proposed draft budget shall also be available on the county's internet website.

The Commissioners Court will hold a public hearing to allow any taxpayer of the County to attend and participate in the hearing. The Commissioners Court may make any changes in the proposed budget that it considers warranted by law and required in the best interest of the taxpayers. The Commissioners

Court may levy taxes only in accordance with the budget. After final approval of the budget, the County Auditor shall file the budget with the County Clerk and may spend county funds only in strict compliance with the budget, except in an emergency.

The Commissioners Court may 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 reasonably diligent thought and attention. If the Court amends the original budget to meet an emergency, the Court files a copy of its order amending the budget with the County Clerk. The clerk attaches the copy to the original budget.

The Commissioners Court, by order, may amend the budget to transfer an amount budgeted for one item to another budgeted item within the same fund without authorized and emergency expenditure.

State law requires counties to adopt a budget before they adopt a tax rate. The Commissioners Court may levy taxes only in accordance with the budget. Chapter 26 of the Property Tax Code requires taxing units to comply with truth in taxation laws in setting the tax rates. This law has two purposes:

- To make the taxpayers more knowledgeable about tax rate proposals;
- And, in certain cases, to allow taxpayers to roll back or limit a tax increase.

Factors Affecting Financial Condition

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

Local Economy. Rockwall County continues to be one of the fastest growing counties in the state. In 2010 the US Census dubbed Rockwall County as the fastest growing county in Texas. In 2011, CNN Money voted the City of Rockwall as best U.S. City for job growth. Our county is family-friendly with a small-town atmosphere. It is the perfect place to grow business, raise your family and enjoy unrivaled quality of life.

Rockwall County's growth has been fueled by its location on I-30 and close proximity to Dallas, Texas, a major urban metroplex. The County's economic base is home to many industries, including manufacturing, healthcare and higher education. The County has seen a decrease in the unemployment rate from 7.1% in 2009 to 5.3% in 2013. In 2013, the average household income was \$79,163 and the median house value was \$195,701.

Health care options continue to increase in the county, Rockwall County now has two major hospitals, Texas Health Presbyterian Hospital and Lake Point Medical Center. The County also houses many after hour emergency medical facilities hosted by Baylor and others.

New opportunities for higher education continue to emerge in the county. Texas A&M University-Commerce has leased 25,000 square foot of space and is offering a Masters in Education in Curriculum and Instruction and a Doctoral in Education in Supervision, Curriculum and Instruction. They are also offering courses toward a Bachelors of Science in Business Administration, Bachelors of Business Administration and a Bachelor of Science in Psychology.

Other business developments continue to be drawn to Rockwall County.

In 2014, Rockwall County was named among the healthiest counties in Texas.

Long-Term Financial Planning

Rockwall County continues to address safety and mobility improvements necessary to adapt to the County's growth. The Commissioners Court has been an integral part of a countywide consortium of all the cities within the county and the County itself to complete a prioritized list of road projects. In 2004 the voters approved a \$17,250,000 bond package that was passed for various road projects within the County. Again in 2008, the voters approved a \$100,000,000 bond package that was also for major road and highway projects throughout the County. The projects include improvements to IH-30 at FM 551, SH 66 and IH-30 at FM 3549. These projects along with several others are in various phases of completion and should help the transportation needs of the expected growth within the County.

Relevant Financial Policies

The Rockwall County Commissioners Court ensures financial stability within the county government by adopting conservative and responsible policies that allow the County to meet the necessary needs of the county but to also continue to increase capacity and grow fund balance.

The County's Debt Management Policy was adopted to ensure that debt financing required to provide the capital needed for equipment and infrastructure improvements will be undertaken only after careful consideration of the following:

- the need is a priority,
- the impact of the funding requirements on the debt capacity,
- the requirement for major infrastructure needs have been communicated to the taxpaying public,
- the forecast amortization of the debt does not disrupt the relationship between the maintenance & operation and debt service portions of the overall tax rate,
- the obligations have been timed for issuance and delivery so that proceeds are spent in an efficient manner and,
- the factors are taken into consideration as to arbitrage and,
- that the existence of a climate favorable to the issuance of long term and/or short term debt.

The County's Financial Reserve Policy (General Fund) was adopted as a policy to maintain an appropriate yet conservative level of fund balance. The County's governing body has set this policy to achieve and maintain a reserve balance providing for four to six months of its annual budgeted expenditures. The use of available funds in the reserve shall be determined by deliberative action of the Commissioners Court based upon consideration of the current and economic environment at the time the expenditure is established, the impact of the projected operating and capital expenditures on the cash needs of the County, the acknowledgement of the difference between operating and capital needs, the methods of alternative financing and lastly to manage the tax rate so as to avoid undue financial hardship on the County's taxpayers.

The County's Tax Abatement Policy was established due to the rapid growth of the County which placed current and future operating and capital demands on the County's resources. Since the County is

committed to the promotion of high quality development in all parts of the County and the County is committed to the ongoing improvement of the quality of life for its citizens the governing body is careful to consider the pros and cons of each application for tax abatement. The maximum term for any tax abatement agreement granted by the County shall be ten years and any agreement granted shall be subject to review and evaluation over its duration to ensure that the proposed benefits are achieved.

The County's Investment Policy supports that funds of the County will be invested in accordance with federal and state laws. The County will follow investment strategies appropriate to each type of fund. Safety of principal is the primary objective of any investment transaction. The County's investment portfolio must be structured in conformance with an asset/liability management plan that provides for the liquidity necessary to pay obligations as they become due. The County will also diversify its portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of investments. The investment officer shall always select investments that provide for stability of income and reasonable liquidity. It will also be an objective of the County to earn the maximum rate of return allowed on its investments within the policy and that the portfolio maturity will be structured to meet the obligations of the County first and then to achieve the highest return of interest.

Acknowledgements

I would like to extend my gratitude to our outside audit firm, Pattillo, Brown & Hill for their efficient and unparalleled service and dedication to Rockwall County. In addition, I would like to express my appreciation to the Commissioners Court for providing the resources necessary to maintain the integrity of the County's financial affairs. And lastly, to all the elected officials and our employees for their cooperation and efforts toward another successful year.

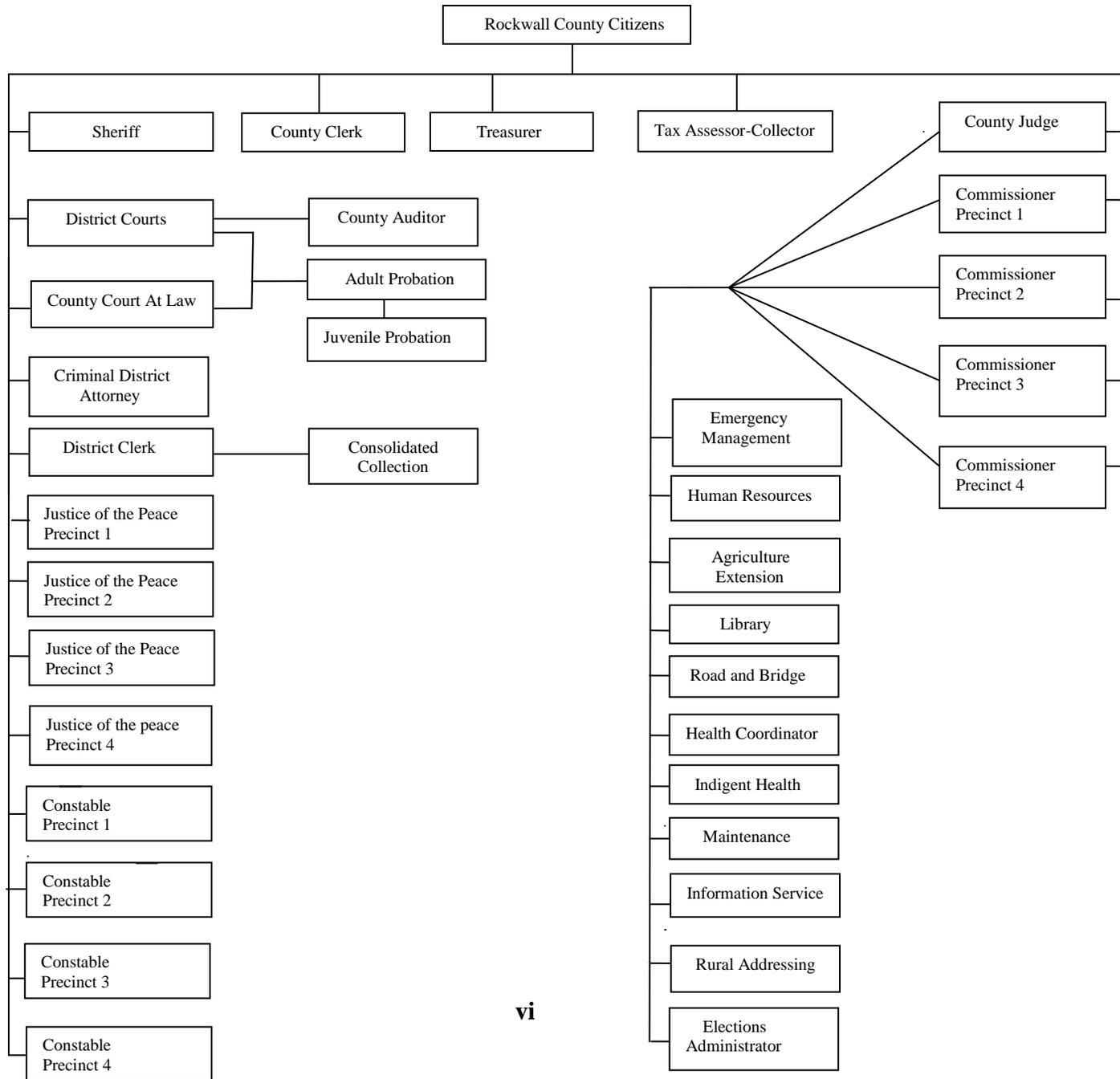
Respectfully submitted,



Lisa Constant Wylie
County Auditor
County of Rockwall



Rockwall County Organizational Chart – 2014



ROCKWALL COUNTY, TEXAS

PRINCIPAL OFFICIALS

SEPTEMBER 30, 2014

<u>Name</u>	<u>Title</u>
<u>Commissioners' Court:</u>	
Jerry Hogan	County Judge
Cliff Sevier	Commissioner, Precinct 1
Lorie Grinnan	Commissioner, Precinct 2
Dennis Bailey	Commissioner, Precinct 3
David Magness	Commissioner, Precinct 4
<u>Board of District Judges:</u>	
Brett Hall	382nd District Court
David Rakow	439th District Court
<u>County Judges:</u>	
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
<u>Law Enforcement:</u>	
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
<u>Administrative Officials:</u>	
Lisa Constant	County Auditor
Kim Sweet	Tax Assessor-Collector
Brian Crenshaw	Information Systems
David Peek	Treasurer
Randy Jennings	Director, Human Resources
Ron Meritt	Environmental Health Coordinator
Donna Mussotter	Director, Indigent Health
Pat NeSmith	Road and Bridge Administrator
Luis Guzman	Maintenance Administrator
<u>Recording Officials:</u>	
Shelli Miller	County Clerk
Kay McDaniel	District Clerk

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FINANCIAL SECTION

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P A T T I L L O , B R O W N & H I L L , 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, 2014, and the related notes to the financial statements, which collectively comprise 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.

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, 2014, 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 – General Fund, 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 47–52 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 and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2015, 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
March 30, 2015

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**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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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, 2014. Readers should consider the information in this section when reading the overall report, including the transmittal letter, financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

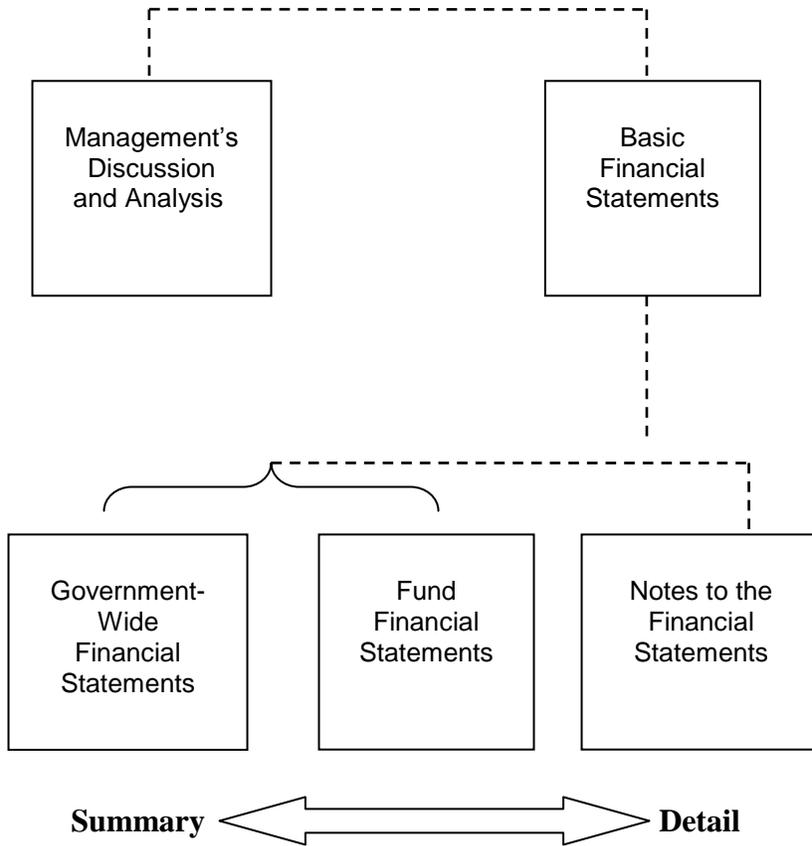
As illustrated in Figure A-1, the government-wide financial statements provide information about the County as a whole using the economic resources measurement focus and accrual basis of accounting.

- The assets and liabilities of Rockwall County exceeded its liabilities at the close of the fiscal year by \$20,894,846 (net position).
- The County's total net position decreased by \$(8,976,239).
- As of the close of the current fiscal year, Rockwall County's governmental funds reported combined ending fund balances of \$39,147,905, a decrease of \$(22,837,702), in comparison with the prior year. Of this amount, \$13,603,826 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 \$13,603,826, or 53% 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 Comprehensive 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 represents the difference between assets, deferred outflows (inflows) of resources and liabilities. 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 schedule 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 schedule uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document.

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

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 \$20,894,846 as of September 30, 2014. The County’s net position decreased by \$(8,976,239) for the fiscal year ended September 30, 2014. However, a large portion, (62.2%) 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.

Figure A-2
ROCKWALL COUNTY'S NET POSITION

	Governmental Activities	
	2014	2013
Current and other assets	\$ 69,452,656	\$ 78,785,891
Capital assets	64,502,317	65,811,441
Total assets	133,954,973	144,597,332
Long-term liabilities	109,307,129	111,655,551
Other liabilities	3,752,998	3,070,696
Total liabilities	113,060,127	114,726,247
Net position:		
Invested in capital assets, net of related debt	12,994,274	20,930,434
Restricted	6,586,418	6,868,464
Unrestricted	1,314,154	2,072,187
Total net position	\$ 20,894,846	\$ 29,871,085

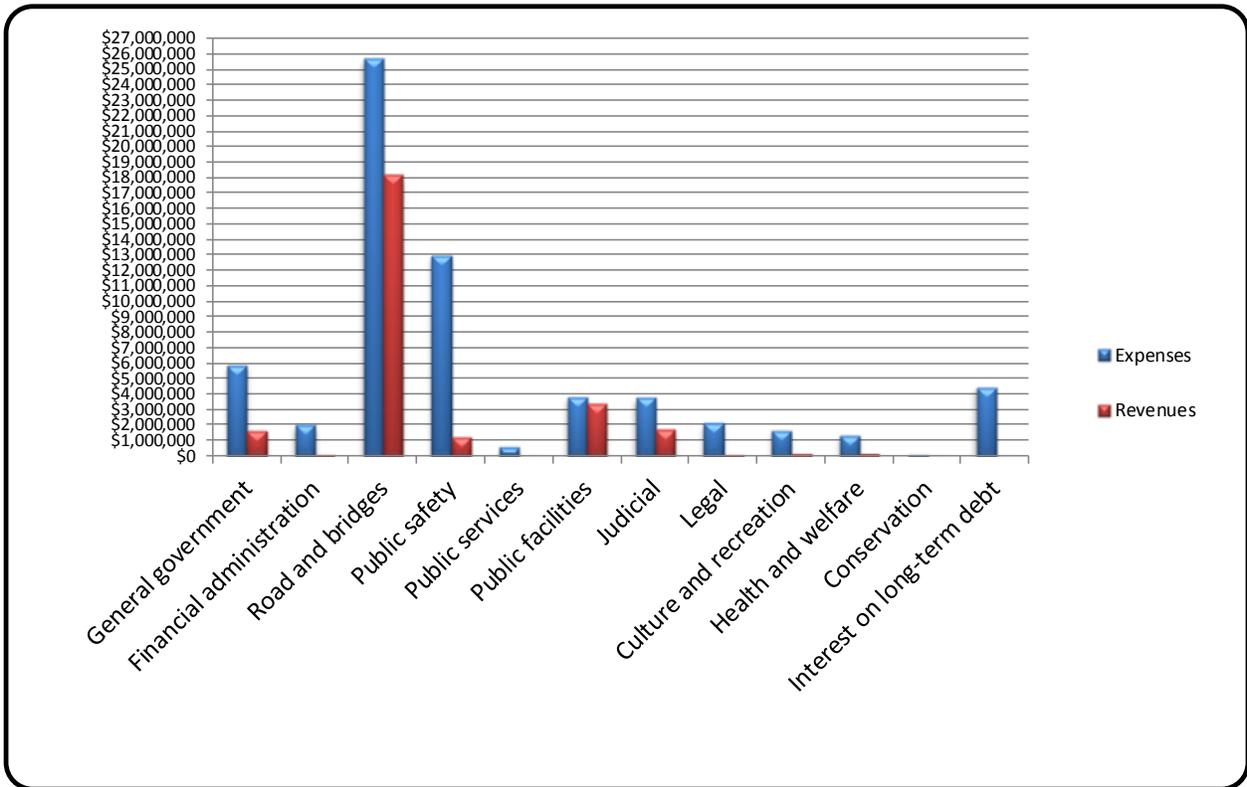
Analysis of the County's Operations – Figure A-3 provides a summary of the County's operations for the year ended September 30, 2014, and comparative data from 2013.

Figure A-3
ROCKWALL COUNTY'S NET POSITION

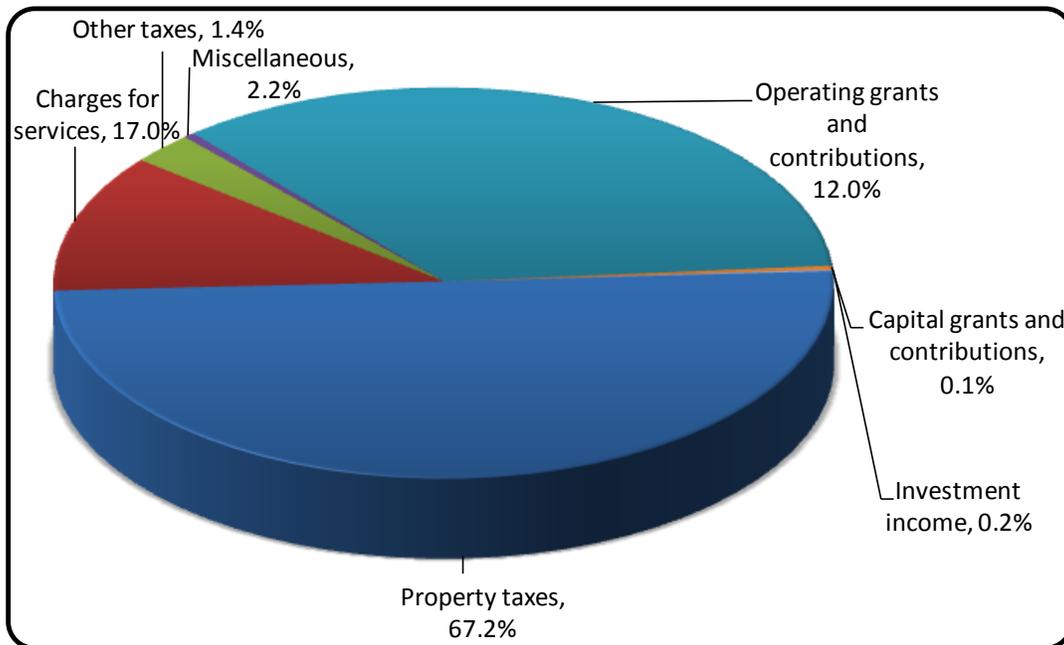
	Governmental Activities	
	2014	2013
REVENUES		
Program revenues:		
Charges for services	\$ 6,540,401	\$ 6,841,008
Operating grants and contributions	19,872,015	4,812,739
Capital grants and contributions	175,748	7,320
General revenues:		
Property taxes	28,520,463	27,043,675
Mixed drink taxes	223,064	227,299
Sales tax	1,263,427	347,819
Investment earnings	82,843	89,062
Gain on sale of assets	4,894	843,545
Miscellaneous	265,433	41,706
Total revenues	<u>56,948,288</u>	<u>40,254,173</u>
EXPENSES		
General government	5,867,997	5,522,225
Financial administration	1,997,162	1,687,204
Roads and bridges	25,659,403	20,193,169
Public safety	12,959,766	11,698,310
Public services	596,288	560,015
Public facilities	3,842,926	585,122
Judicial	3,743,115	3,257,514
Legal	2,141,138	1,838,282
Culture and recreation	1,668,304	1,517,513
Health and welfare	1,334,764	980,619
Conservation	111,439	89,046
Interest on long-term debt	4,453,876	3,434,549
Total expenditures	<u>64,376,179</u>	<u>51,363,568</u>
INCREASE IN NET POSITION	(7,427,891)	(11,109,395)
NET POSITION, BEGINNING	29,871,085	40,980,480
PRIOR PERIOD ADJUSTMENT	(1,548,348)	-
NET POSITION, ENDING	<u>\$ 20,894,846</u>	<u>\$ 29,871,085</u>

Governmental-type Activities – Governmental-type activities decreased the County's net position \$(8,976,239). 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 \$22,605,500 of expenses in FY 2014. 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 \$16,374,000 of highway department grant funding, the increase in road and bridge expenses in FY 2014 over FY 2013 was \$5,476,092. The County also had an increase in expenditures associated with the TCDRS retirement plan. Due to changes in the actuarial calculations, the County incurred additional expenses in government-wide activities of \$2,311,693. This is an increase of \$2,737,787 over 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 \$13,603,826. 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 53% 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 less than the budgeted amounts in the areas of property taxes and fees and commissions. However, expenditures were generally in line with or less than 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, 2014, totals \$64,502,317 (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.
- Purchased several new vehicles and pieces of equipment mainly including sheriff vehicles, and an MRAP armored vehicle.

ROCKWALL COUNTY’S CAPITAL ASSETS AT YEAR-END

	Governmental Activities	
	2014	2013
Land and improvements	\$ 6,246,813	\$ 6,246,813
Machinery and equipment	8,680,079	8,063,430
Buildings	59,423,328	59,414,428
Infrastructure	5,232,656	5,232,656
Construction in progress	848,675	620,184
Less: accumulated depreciation	(15,929,234)	(13,766,070)
Total	\$ 64,502,317	\$ 65,811,441

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, 2014, Rockwall County had total bonded debt outstanding of \$103,755,000.

**ROCKWALL COUNTY’S OUTSTANDING BONDS
AS OF SEPTEMBER 30, 2014**

	Beginning Balance	Additions	Reductions	Ending Balance
Certificates of obligation and tax notes	\$ <u>106,415,000</u>	<u>-</u>	\$ <u>2,660,000</u>	\$ <u>103,755,000</u>

Rockwall County’s bonded debt increased by (\$2,660,000), or 2.5%, during the current fiscal year.

GENERAL FUND BUDGET HIGHLIGHTS FOR FISCAL YEAR ENDING SEPTEMBER 30, 2015

Governmental Activities – In preparation for the fiscal year 2015 budget, the County kept the ad valorem tax rate of \$0.3959 per \$100 assessed value. The M&O rate went from .3019 to .31016 and the debt service rate went from .0940 to .08574. Total budgeted revenues for FY 2015 in the General Fund are \$28,430,969 which is an increase of \$2,055,263 over FY 2014. The main increase comes from increased ad valorem tax collections. Total budgeted expenditures for FY 2015 are \$33,430,969 which is an increase of \$7,055,263 over FY 2014. This increase in expenditures is related to expenditures for a new judicial software package and a new radio interoperability project budgeted at \$5 million.

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**

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ROCKWALL COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

ASSETS

Cash and investments	\$ 41,515,608
Receivables (net of allowance for uncollectibles)	24,066,081
Prepaid expense	461,354
Interest receivable	281
Net pension asset	3,409,332
Capital assets:	
Non-depreciable	7,095,488
Depreciable (net)	<u>57,406,829</u>
Total assets	<u>133,954,973</u>

LIABILITIES

Accounts payable	1,809,294
Claims payable	379,436
Accrued liabilities	626,781
Due to others	252,833
Interest payable	684,654
Noncurrent liabilities:	
Due within one year:	
Tax notes	3,463,146
Compensated absences	116,792
Due in more than one year:	
Tax notes	103,104,716
Compensated absences	467,017
Net OPEB obligation	<u>2,155,458</u>
Total liabilities	<u>113,060,127</u>

NET POSITION

Net investment in capital assets	12,994,274
Restricted for:	
Capital acquisition and construction	52,038
Debt service	699,157
Records preservation and management	1,286,305
Court security and technology	123,537
Legal	583,856
Public safety	924,569
Judicial	361,611
Culture and recreation	264,479
Roads and bridges	2,195,861
Elections assistance and administration	95,005
Unrestricted	<u>1,314,154</u>
Total net position	<u>\$ 20,894,846</u>

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

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ROCKWALL COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position
					Governmental Activities
Primary government					
Governmental activities:					
General government	\$ 5,867,997	\$ 1,539,098	\$ 84,860	\$ -	\$(4,244,039)
Financial administration	1,997,162	92,903	-	-	(1,904,259)
Roads and bridges	25,659,403	1,609,111	16,374,000	175,748	(7,500,544)
Public safety	12,959,766	1,227,276	39,074	-	(11,693,416)
Public services	596,288	-	-	-	(596,288)
Public facilities	3,842,926	185,486	3,191,179	-	(466,261)
Judicial	3,743,115	1,598,415	92,041	-	(2,052,659)
Legal	2,141,138	17,645	46,728	-	(2,076,765)
Culture and recreation	1,668,304	163,582	-	-	(1,504,722)
Health and welfare	1,334,764	106,885	44,133	-	(1,183,746)
Conservation	111,439	-	-	-	(111,439)
Interest on long-term debt	4,453,876	-	-	-	(4,453,876)
Total governmental activities	<u>64,376,179</u>	<u>6,540,401</u>	<u>19,872,015</u>	<u>175,748</u>	<u>(37,788,015)</u>
Total primary government	<u>\$ 64,376,179</u>	<u>\$ 6,540,401</u>	<u>\$ 19,872,015</u>	<u>\$ 175,748</u>	<u>(37,788,015)</u>
General revenues:					
Taxes:					
Property					28,520,463
Beverage					223,064
Sales					1,263,427
Investment earnings					82,843
Miscellaneous					265,433
Gain on sale of assets					4,894
Total general revenues					<u>30,360,124</u>
Change in net position					(7,427,891)
Net position - beginning					<u>29,871,085</u>
Prior period adjustment					<u>(1,548,348)</u>
Net position - ending					<u>\$ 20,894,846</u>

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

ROCKWALL COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	General	Road Improvements Bond 2008	Debt Service	Other Governmental Funds	Total
ASSETS					
Cash and investments	\$ 20,059,596	\$ 13,457,021	\$ 1,252,185	\$ 6,026,145	\$ 40,794,947
Receivables (net of allowances for uncollectibles):					
Taxes	565,356	-	131,626	77,249	774,231
Accounts	2,031,381	20,792,000	-	460,257	23,283,638
Interest	-	-	-	281	281
Due from other funds	5,604	-	-	-	5,604
Prepaid expenditures	461,006	-	-	348	461,354
Total assets	\$ 23,122,943	\$ 34,249,021	\$ 1,383,811	\$ 6,564,280	\$ 65,320,055
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,058,604	\$ 524,117	\$ -	\$ 159,090	\$ 1,741,811
Accrued liabilities	584,519	-	-	41,776	626,295
Due to others	-	-	-	252,833	252,833
Due to other funds	-	-	-	5,604	5,604
Total liabilities	1,643,123	524,117	-	459,303	2,626,543
Deferred inflows of resources:					
Unavailable revenue - property taxes	\$ 453,850	\$ -	\$ 120,903	\$ -	\$ 574,753
Unavailable revenue - court fines	1,961,138	-	-	-	1,961,138
Unavailable revenue - grant receivable	-	20,792,000	-	-	20,792,000
Unavailable revenue - lien assessments	-	-	-	217,716	217,716
Total deferred inflows of resources	2,414,988	20,792,000	120,903	217,716	23,545,607
Fund balances:					
Nonspendable:					
Prepays	461,006	-	-	-	461,006
Assigned:					
Future budget offset	5,000,000	-	-	-	5,000,000
Restricted:					
Capital acquisition and construction	-	-	-	52,038	52,038
Debt service	-	-	1,262,908	-	1,262,908
Records preservation and management	-	-	-	1,286,305	1,286,305
Court security and technology	-	-	-	123,537	123,537
Legal	-	-	-	583,856	583,856
Public safety	-	-	-	924,569	924,569
Judicial	-	-	-	361,611	361,611
Culture and recreation	-	-	-	264,479	264,479
Roads and bridges	-	12,932,904	-	2,195,861	15,128,765
Elections assistance and administration	-	-	-	95,005	95,005
Unassigned	13,603,826	-	-	-	13,603,826
Total fund balances	19,064,832	12,932,904	1,262,908	5,887,261	39,147,905
Total liabilities, deferred inflows of resources, and fund balances	\$ 23,122,943	\$ 34,249,021	\$ 1,383,811	\$ 6,564,280	\$ 65,320,055

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, 2014

Total fund balances - governmental funds balance sheet	\$	39,147,905
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		64,502,317
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		23,545,607
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.	(109,991,783)
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.		3,409,332
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.		<u>281,468</u>
Net Position of governmental activities in the Statement of Net Position	\$	<u><u>20,894,846</u></u>

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, 2014

	General	Road Improvements Bond 2008	Debt Service	Other Governmental Funds	Total Governmental
REVENUES					
Property taxes	\$ 21,746,234	\$ -	\$ 6,766,441	\$ 7,788	\$ 28,520,463
Beverage taxes	278,102	-	-	-	278,102
Fines and forfeitures	984,455	-	-	724,481	1,708,936
Sales taxes	820,631	-	-	442,796	1,263,427
Fees and commissions	1,981,135	-	-	2,347,538	4,328,673
Intergovernmental	203,535	-	-	3,414,956	3,618,491
Election	-	-	-	139,010	139,010
Investment earnings	46,000	33,065	2,147	1,334	82,546
Miscellaneous	96,234	-	-	220,438	316,672
Total revenues	<u>26,156,326</u>	<u>33,065</u>	<u>6,768,588</u>	<u>7,298,341</u>	<u>40,256,320</u>
EXPENDITURES					
Current:					
General government	3,213,507	-	-	445,135	3,658,642
Financial administration	1,781,318	-	-	-	1,781,318
Commissioner expenses	397,304	-	-	-	397,304
Roads and bridges	-	23,235,408	-	1,923,247	25,158,655
Public safety	10,577,069	-	-	822,444	11,399,513
Public facilities	546,299	-	-	-	546,299
Public services	498,596	-	-	3,267,970	3,766,566
Judicial	3,392,672	-	-	50,348	3,443,020
Legal	1,860,207	-	-	38,221	1,898,428
Culture and recreation	1,033,878	-	-	206,073	1,239,951
Health and welfare	1,277,056	-	-	-	1,277,056
Conservation	92,771	-	-	-	92,771
Capital outlay	795,903	-	-	261,244	1,057,147
Debt service:					
Principal	-	-	2,660,000	-	2,660,000
Interest and fiscal charges	-	-	4,739,280	-	4,739,280
Bond issuance cost and fees	-	-	3,850	-	3,850
Total expenditures	<u>25,466,580</u>	<u>23,235,408</u>	<u>7,403,130</u>	<u>7,014,682</u>	<u>63,119,800</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>689,746</u>	<u>(23,202,343)</u>	<u>(634,542)</u>	<u>283,659</u>	<u>(22,863,480)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	160,000	160,000
Transfers out	(160,000)	-	-	-	(160,000)
Sale of capital assets	25,528	-	-	250	25,778
Total other financing sources and uses	<u>(134,472)</u>	<u>-</u>	<u>-</u>	<u>160,250</u>	<u>25,778</u>
NET CHANGE IN FUND BALANCES	555,274	(23,202,343)	(634,542)	443,909	(22,837,702)
FUND BALANCES, BEGINNING	<u>18,509,558</u>	<u>36,135,247</u>	<u>1,897,450</u>	<u>5,443,352</u>	<u>61,985,607</u>
FUND BALANCES, ENDING	<u>\$ 19,064,832</u>	<u>\$ 12,932,904</u>	<u>\$ 1,262,908</u>	<u>\$ 5,887,261</u>	<u>\$ 39,147,905</u>

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, 2014

Net change in fund balances - total governmental funds \$(22,837,702)

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. (1,309,124)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 16,686,777

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. 2,479,530

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. (2,311,693)

Internal service funds are used by management to charge the costs of health insurance to individual funds. (135,679)

Change in net position of governmental activities \$(7,427,891)

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

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ROCKWALL COUNTY, TEXAS
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2014

	<u>Governmental Activities</u>
	<u>Internal Service</u>
ASSETS	
Cash and cash equivalents	\$ 720,661
Receivables (net of allowances for uncollectibles)	<u>8,212</u>
Total assets	<u>728,873</u>
LIABILITIES	
Accounts payable	67,483
Claims payable	379,436
Accrued liabilities	<u>486</u>
Total liabilities	<u>447,405</u>
NET POSITION	
Restricted	<u>281,468</u>
Total net position	<u><u>\$ 281,468</u></u>

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

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ROCKWALL COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Governmental Activities Internal Service</u>
OPERATING REVENUES	
Charges for services	\$ <u>3,464,204</u>
Total operating revenues	<u>3,464,204</u>
OPERATING EXPENSES	
Insurance claims	2,768,635
Stop-loss insurance premiums	601,844
Administrative and other	<u>229,701</u>
Total operating expenses	<u>3,600,180</u>
OPERATING LOSS	(<u>135,976</u>)
NONOPERATING REVENUES (EXPENSES)	
Investment income	<u>297</u>
Total nonoperating revenues (expenses)	<u>297</u>
NET LOSS	(135,679)
NET POSITION, BEGINNING	<u>417,147</u>
NET POSITION, ENDING	\$ <u><u>281,468</u></u>

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

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ROCKWALL COUNTY, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Governmental</u> <u>Activities</u> <u>Internal Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from users	\$ 3,626,859
Cash paid to employees	(229,215)
Cash paid to suppliers	<u>(3,118,099)</u>
Net cash used by operating activities	<u>279,545</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>297</u>
Net cash provided by investing activities	<u>297</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	279,842
CASH AND CASH EQUIVALENTS, BEGINNING	<u>440,819</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 720,661</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$(135,976)
Change in assets and liabilities:	
Decrease (increase) in receivables	162,655
Increase (decrease) in accounts payable	7,679
Increase (decrease) in claims payable	244,701
Increase (decrease) in accrued liabilities	<u>486</u>
Total adjustments	<u>415,521</u>
Net cash used by operating activities	<u>\$ 279,545</u>

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

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ROCKWALL COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
SEPTEMBER 30, 2014

	<u>Indigent Health Care Private-Purpose Trust</u>	<u>Agency Funds</u>
ASSETS		
Cash and investments	\$ 48,737	\$ 5,348,869
Total assets	<u>48,737</u>	<u>5,348,869</u>
LIABILITIES		
Accounts payable	2,318	-
Accrued expenses	5,852	-
Due to others	-	2,503,316
Due to other governments	<u>-</u>	<u>2,845,553</u>
Total liabilities	<u>8,170</u>	<u>5,348,869</u>
NET POSITION		
Held in trust	<u>40,567</u>	<u>-</u>
Total net position	<u>\$ 40,567</u>	<u>\$ -</u>

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

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ROCKWALL COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Indigent Health Care Private-Purpose Trust <hr style="border: 0.5px solid black;"/>
ADDITIONS	
County contributions	\$ 250,000
Interest earnings	<u>5</u>
Total additions	<u>250,005</u>
DEDUCTIONS	
Administrative expenses	<u>227,000</u>
Total deductions	<u>227,000</u>
CHANGES IN NET POSITION	23,005
NET POSITION, BEGINNING	<u>17,562</u>
NET POSITION, ENDING	<u><u>\$ 40,567</u></u>

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

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ROCKWALL COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

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, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide, 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 fund financial statements 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. 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:

Special Revenue Funds account for the revenue sources that are designated to finance particular functions or activities or are legally restricted to expenditures for specified purposes.

Capital Projects Funds account for the County's acquisition and construction of major capital facilities.

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.

Prepaid Items

Certain payments to vendor reflect costs applicable to future accounting period and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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:

<u>Assets</u>	<u>Years</u>
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 premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

For governmental fund types, bond premiums and discounts, as well as bond 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, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures.

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 \$.3959 (\$.3019 for the maintenance and operations and \$.0940 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows our resources. This separate financial statement element, *deferred outflows our resources*, represents a consumption of net position that applied to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The county does not have any items that qualify for this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applied to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, that qualified for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from four sources: property taxes, court fines, grant receivable, and lien assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

Prior Period Adjustment

The County's beginning net position was restated due to the implementation of Governmental Accounting Standards Board Statement No. 65. Debt issuance costs, which were previously capitalized as assets and amortized over the repayment term of the related debt, are not expensed in the year of debt issuance. This accounting change required the following adjustment:

	Governmental Activities
Net Position Oct. 1, 2013, previously stated	\$ 29,871,085
Restatement due to implementation of GASB 65	<u>(1,548,348)</u>
Net Position Oct. 1, 2013, restated	<u>\$ 28,322,737</u>

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 the functions level. 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 \$(109,991,783) difference are as follows:

Tax notes	\$(103,755,000)
Premium on bonds	(2,812,862)
Accrued interest payable	(684,654)
Compensated absences	(583,809)
Net OPEB obligation	<u>(2,155,458)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$(109,991,783)</u>

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

The governmental fund statement of 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 \$(1,309,124) difference are as follows:

Capital outlay	\$ 982,628
Capital asset retirements	(20,884)
Depreciation expense	<u>(2,270,868)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$(1,309,124)</u>

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 \$16,686,777 difference are as follows:

Property taxes	\$(55,038)
Adjudicated fines	368,758
TxDOT grants	16,374,000
Other	<u>(943)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 16,686,777</u>

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 \$2,479,530 difference are as follows:

Principal repayments	\$ 2,660,000
Interest payable	131,108
Bond discount/premium	158,146
Compensated absences	12,697
OPEB obligation	<u>(482,421)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 2,479,530</u>

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, 2014:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	\$ 10,021,832	51
MBIA Texas Class	8,524,124	43
Money market funds	297,143	1
PFM Funds	2,000,974	55
TexStar	55,136	51
LOGIC	13,591,727	59
FHLB	1,000,000	1095
FHLB	1,000,000	1095
FHLMC	<u>1,000,000</u>	730
Total investments	<u>\$ 37,490,936</u>	

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, 2014, 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, 2014, were rated as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>
TexPool	AAAm	Standard & Poor's
MBIA Texas Class	AAAm	Standard & Poor's
TexStar	AAAm	Standard & Poor's
LOGIC	AAAm	Standard & Poor's
PFM funds	AAAm	Standard & Poor's
FHLB	AA+	Standard & Poor's
FHLB	AA+	Standard & Poor's
FHLMC	AA+	Standard & Poor's

B. Receivables

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

	<u>Governmental Funds</u>				<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Road Improvements Bond 2008</u>	<u>Nonmajor Funds</u>	
Receivables:					
Taxes	\$ 641,179	\$ 147,959	\$ -	\$ 77,249	\$ 866,387
Adjudicated fines	19,611,378	-	-	-	19,611,378
Accounts	70,243	-	-	460,257	530,500
TxDOT funding	-	-	20,792,000	-	20,792,000
Interest	-	-	-	281	281
Gross receivables	20,322,800	147,959	20,792,000	537,787	41,800,546
Less: allowance for uncollectibles	(17,726,063)	(16,333)	-	-	(17,742,396)
Net total receivables	\$ <u>2,596,737</u>	\$ <u>131,626</u>	\$ <u>20,792,000</u>	\$ <u>537,787</u>	\$ <u>24,058,150</u>

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 balances and activity for the year ended September 30, 2014, are summarized as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,246,813	\$ -	\$ -	\$ 6,246,813
Construction in progress	620,184	228,491	-	848,675
Total assets not being depreciated	<u>6,866,997</u>	<u>228,491</u>	<u>-</u>	<u>7,095,488</u>
Capital assets, being depreciated:				
Buildings and improvements	59,414,428	8,900	-	59,423,328
Infrastructure	5,232,656	-	-	5,232,656
Machinery and equipment	8,063,430	745,237	(128,588)	8,680,079
Total capital assets being depreciated	<u>72,710,514</u>	<u>754,137</u>	<u>(128,588)</u>	<u>73,336,063</u>
Less accumulated depreciation:				
Buildings and improvements	(5,796,296)	(1,558,587)	-	(7,354,883)
Infrastructure	(2,566,341)	(130,831)	-	(2,697,172)
Machinery and equipment	(5,403,433)	(581,450)	107,704	(5,877,179)
Total accumulated depreciation	<u>(13,766,070)</u>	<u>(2,270,868)</u>	<u>107,704</u>	<u>(15,929,234)</u>
Total capital assets being depreciated, net	<u>58,944,444</u>	<u>(1,516,731)</u>	<u>(20,884)</u>	<u>57,406,829</u>
Governmental activities capital assets, net	<u>\$ 65,811,441</u>	<u>\$(1,288,240)</u>	<u>\$(20,884)</u>	<u>\$ 64,502,317</u>

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

Governmental activities:	
General government	\$ 1,342,882
Financial administration	9,847
Roads and bridges	327,867
Public safety	214,719
Public services	37,568
Judicial	2,936
Legal	6,151
Culture and recreation	324,565
Health and welfare	<u>4,333</u>
Total depreciation expense - governmental activities	<u>\$ 2,270,868</u>

D. Interfund Receivables/Payables and Transfers

The composition of interfund balances as of September 30, 2014, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ <u>5,604</u>
		\$ <u><u>5,604</u></u>

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:

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
Nonmajor governmental	General	\$ <u>160,000</u>
		\$ <u><u>160,000</u></u>

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 limited 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

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Principal Balance</u>	<u>Due Within One Year</u>
\$11,500,000 limited tax notes Series 2007	06/18/07	4.0% - 4.037%	\$ 8,715,000	\$ 515,000
\$2,000,000 limited tax notes Series 2008A	09/25/08	4.09%	320,000	320,000
\$24,705,000 tax refunding note Series 2009	02/01/09	2.00%-5.00%	21,595,000	710,000
\$10,620,000 limited tax note Series 2009	02/01/09	2.75%-5.25%	9,305,000	305,000
\$2,460,000 unlimited tax Series 2010	06/08/10	4.15%	2,190,000	75,000
\$8,815,000 limited tax refunding Series 2010	06/08/10	3.65%	6,570,000	630,000
\$16,010,000 limited tax refunding Series 2012	01/01/12	2.75%-4.5%	16,010,000	435,000
\$24,205,000 unlimited tax Series 2012A	12/13/12	2.125%-5.00%	24,205,000	100,000
\$14,845,000 limited tax refunding Series 2013	06/11/13	3.00%-4.00%	<u>14,845,000</u>	<u>215,000</u>
			<u>\$103,755,000</u>	<u>\$ 3,305,000</u>

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 \$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, 2014, are summarized as follows:

Fiscal Year Ending September 30,	Tax Notes		
	Principal	Interest	Total
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	5,175,000	3,252,491	8,427,491
2020-2024	27,605,000	12,950,069	40,555,069
2025-2029	27,555,000	7,846,165	35,401,165
2030-2034	<u>25,240,000</u>	<u>2,537,859</u>	<u>27,777,859</u>
Total	<u>\$ 103,755,000</u>	<u>\$ 41,732,836</u>	<u>\$ 145,487,836</u>

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, 2014:

Description	Amounts Outstanding October 1, 2013			Amounts Outstanding September 30, 2014		Due Within One Year
	Issued	Retired				
Tax Notes	\$ -	\$ 2,660,000	\$ 106,415,000	\$ 103,755,000	\$ 3,305,000	
Bond Premiums/discounts	-	158,146	2,971,008	2,812,862	158,146	
Compensated absences	542,334	555,751	596,506	583,089	116,792	
Net OPEB obligation	<u>611,006</u>	<u>128,585</u>	<u>1,673,037</u>	<u>2,155,458</u>	<u>-</u>	
	<u>\$ 1,153,340</u>	<u>\$ 3,502,482</u>	<u>\$ 111,655,551</u>	<u>\$ 109,306,409</u>	<u>\$ 3,579,938</u>	

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 656 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 2014, the employer contributed at an elected rate of 9% which is the same as the required contributions rate of 9%. For the months of October-December 2013, the employer contributed 9% versus the required rate of 6.63%.

The deposit rate payable by the employee members for calendar year 2014 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, 2014, the annual required contribution for the TCDRS plan was \$1,218,989, and the actual contributions were \$1,316,003. 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 2014 and 2013. The December 31, 2013, actuarial valuation is the most recent valuation.

Actuarial Liabilities and Funding Progress

Actuarial Valuation Date	12/31/11	12/31/12	12/31/13
Actuarial cost method	entry age	entry age	entry age
Amortization method	Level percentage of payroll, open	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period	30	2.1	.1
Asset valuation method	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 5-yr smoothed value ESF: Fund Value
Actuarial Assumptions:			
Investment return ¹	8.0%	8.0%	8.0%
Projected salary increases ¹	5.4%	5.4%	4.9%
Inflation	3.5%	3.5%	3.0%
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	2012	2013	2014
Annual required contribution (ARC)	\$ 911,794	\$ 927,909	\$ 1,218,989
Interest on net pension obligation	(390,326)	(423,595)	(457,682)
Adjustment to ARC	<u>303,829</u>	<u>329,726</u>	<u>2,866,389</u>
Annual pension cost	825,297	834,040	3,627,696
Contributions made	<u>(1,241,157)</u>	<u>(1,260,133)</u>	<u>(1,316,003)</u>
Net pension obligation (asset), beginning of year	(4,879,072)	(5,294,932)	(5,721,025)
Change in net pension obligation (asset)	<u>(415,860)</u>	<u>(426,093)</u>	<u>2,311,693</u>
Net pension obligation (asset), end of year	<u>\$(5,294,932)</u>	<u>\$(5,721,025)</u>	<u>\$(3,409,332)</u>
Percentage of APC contributed	150.4%	151.1%	36.3%

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

Actuarial Valuation Date	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)
12/31/2013	\$ 37,012,734	\$ 37,395,836	\$ 383,102	98.98%	\$ 14,197,745	2.70%

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 \$128,585. 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	75,006
Adjustment to the ARC	(45,000)
Annual OPEB Cost	611,006
Employer Contributions with Interest	(128,585)
Increase (Decrease) in Net OPEB Obligation	482,421
Net OPEB Obligation, beginning of year	<u>1,673,037</u>
 Net OPEB Obligation, end of year	 <u>\$ 2,155,458</u>

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
9/30/12	\$ 540,196	\$ 93,866	17%	\$ 1,184,018
9/30/13	589,000	99,981	17%	1,673,037
9/30/14	611,006	128,585	21%	2,155,458

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
10/01/13	\$ -	\$ 4,250,000	\$ 4,250,000	-	\$ 13,842,593	30.70%

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	10/01/13
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. Risk Management

During the year ended September 30, 2014, employees of the County were covered by a health insurance plan (the "Plan"). The County contributed \$11,121 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.

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 trends 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 begins once Rockwall County has expended \$70,000 per participant annually. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Years Ended</u>	
	<u>9/30/2014</u>	<u>9/30/2013</u>
Unpaid claims at beginning of ye \$	134,735	\$ 224,905
Incurred claims (including IBN	3,600,180	3,533,424
Claim payments	<u>(3,355,479)</u>	<u>(3,623,594)</u>
Unpaid claims at end of year	<u>\$ 379,436</u>	<u>\$ 134,735</u>

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.

K. 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, 2014, 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**

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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, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 22,173,633	\$ 22,173,633	\$ 21,746,234	\$(427,399)
Beverage taxes	225,000	225,000	278,102	53,102
Fines and forfeitures	980,000	980,000	984,455	4,455
Other taxes	630,000	630,000	820,631	190,631
Fees and commissions	2,127,700	2,127,700	1,981,135	(146,565)
Intergovernmental	156,623	156,623	203,535	46,912
Investment earnings	50,300	50,300	46,000	(4,300)
Miscellaneous	28,750	28,750	96,234	67,484
Total revenues	26,372,006	26,372,006	26,156,326	(215,680)
EXPENDITURES				
Current:				
General government:				
County judge	120,618	120,618	116,351	4,267
County clerk	686,790	687,810	662,654	25,156
Information services	433,780	434,580	397,420	37,160
Nondepartmental	2,218,850	1,882,702	1,699,395	183,307
Human resources	48,240	48,240	47,194	1,046
Centralized collections	128,068	148,582	140,460	8,122
Commissioners' court	79,752	79,752	79,288	464
Veteran Services	72,333	72,333	70,745	1,588
Total general government	3,788,431	3,474,617	3,213,507	261,110
Financial administration:				
Tax assessor/collector	521,155	521,155	510,032	11,123
County treasurer	373,862	373,862	360,244	13,618
County auditor	511,615	511,615	506,885	4,730
Noncapital equipment	291,876	291,876	291,876	-
Human Resources	115,161	115,161	112,281	2,880
Total financial administration	1,813,669	1,813,669	1,781,318	32,351
Commissioner expenses:				
County commissioner, precinct #1	101,002	101,002	99,079	1,923
County commissioner, precinct #2	100,002	100,002	97,900	2,102
County commissioner, precinct #3	102,002	102,002	99,409	2,593
County commissioner, precinct #4	102,104	102,104	100,916	1,188
Total commissioner expenses	405,110	405,110	397,304	7,806
Public safety:				
Sheriff's department	4,078,545	4,084,275	3,988,764	95,511
County jail	5,660,712	5,758,072	5,756,414	1,658
Other law enforcement	492,842	492,842	493,179	(337)
Constable #1	87,201	89,786	84,959	4,827
Constable #2	87,201	87,201	82,635	4,566
Constable #3	87,201	90,800	83,192	7,608
Constable #4	91,286	93,286	87,926	5,360
Total public safety	10,584,988	10,696,262	10,577,069	119,193

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, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Public facilities				
Maintenance and operations	\$ 590,872	\$ 590,872	\$ 546,299	\$ 44,573
Total public facilities	<u>590,872</u>	<u>590,872</u>	<u>546,299</u>	<u>44,573</u>
Public services:				
Election administrator	443,214	456,524	461,468	(4,944)
TCEQ grant	<u>37,128</u>	<u>37,128</u>	<u>37,128</u>	-
Total public services	<u>480,342</u>	<u>493,652</u>	<u>498,596</u>	<u>(4,944)</u>
Judicial:				
District clerk	815,200	821,160	820,969	191
District judge	1,303,926	1,304,646	1,080,040	224,606
Justice of the peace, precinct #1	233,935	233,935	221,851	12,084
Justice of the peace, precinct #2	276,362	271,711	262,295	9,416
Justice of the peace, precinct #3	197,751	202,402	183,461	18,941
Justice of the peace, precinct #4	224,192	224,192	211,780	12,412
Court at law	<u>644,641</u>	<u>644,641</u>	<u>612,276</u>	<u>32,365</u>
Total judicial	<u>3,696,007</u>	<u>3,702,687</u>	<u>3,392,672</u>	<u>310,015</u>
Legal:				
District attorney	<u>1,878,696</u>	<u>1,878,696</u>	<u>1,860,207</u>	<u>18,489</u>
Total legal	<u>1,878,696</u>	<u>1,878,696</u>	<u>1,860,207</u>	<u>18,489</u>
Culture and recreation:				
County library	<u>1,088,278</u>	<u>1,088,278</u>	<u>1,033,878</u>	<u>54,400</u>
Total culture and recreation	<u>1,088,278</u>	<u>1,088,278</u>	<u>1,033,878</u>	<u>54,400</u>
Health and welfare:				
County health coordinator	163,925	163,925	163,606	319
Welfare	276,866	326,866	319,447	7,419
Ambulance	470,331	495,331	482,126	13,205
911 services	66,183	66,183	61,877	4,306
Indigent health care	<u>500,000</u>	<u>500,000</u>	<u>250,000</u>	<u>250,000</u>
Total health and welfare	<u>1,477,305</u>	<u>1,552,305</u>	<u>1,277,056</u>	<u>275,249</u>
Conservation:				
County agent	<u>95,969</u>	<u>95,969</u>	<u>92,771</u>	<u>3,198</u>
Total conservation	<u>95,969</u>	<u>95,969</u>	<u>92,771</u>	<u>3,198</u>
Total current expenditures	<u>25,899,667</u>	<u>25,792,117</u>	<u>24,670,677</u>	<u>1,121,440</u>

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, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Noncurrent:				
Capital outlay:				
Capital equipment	\$ 1,416,091	\$ 1,477,631	\$ 640,223	\$ 837,408
Capital improvements	<u>125,000</u>	<u>171,010</u>	<u>155,680</u>	<u>15,330</u>
Total capital outlay	<u>1,541,091</u>	<u>1,648,641</u>	<u>795,903</u>	<u>852,738</u>
Total expenditures	<u>27,440,758</u>	<u>27,440,758</u>	<u>25,466,580</u>	<u>1,974,178</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,068,752)</u>	<u>(1,068,752)</u>	<u>689,746</u>	<u>1,758,498</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(160,000)	(160,000)	(160,000)	-
Proceeds from sale of assets	<u>10,000</u>	<u>10,000</u>	<u>25,528</u>	<u>15,528</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(134,472)</u>	<u>15,528</u>
NET CHANGE IN FUND BALANCE	(1,218,752)	(1,218,752)	555,274	1,774,026
FUND BALANCES, BEGINNING	<u>18,509,558</u>	<u>18,509,558</u>	<u>18,509,558</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 17,290,806</u>	<u>\$ 17,290,806</u>	<u>\$ 19,064,832</u>	<u>\$ 1,774,026</u>

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ROCKWALL COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2014

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. All annual appropriations lapse at the end of the fiscal year.

Elected officials and department heads submit requests for appropriations to the budget officer, the County Judge, so that a budget may be prepared. The propose budget is presented to the Commissioner's Court for review by the second Monday in July. The Commissioner's Court holds public work sessions and public hearings. A final budget must be prepared and adopted no later than September 30.

The appropriated budget is prepared by fund, function and department. The County's department heads may make transfers of appropriations within a department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level.

ROCKWALL COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR PARTICIPATION
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

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)
12/31/2011	\$ 30,629,673	\$ 30,748,744	99.6%	\$ 119,071	\$ 13,509,564	0.88%
12/31/2012	33,405,182	34,323,440	97.3%	918,258	13,842,593	6.63%
12/31/2013	37,012,734	37,395,836	99.0%	383,102	14,197,745	2.70%

ROCKWALL COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
POST-RETIREMENT HEALTH CARE BENEFIT PLAN

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%

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**COMBINING FUND
FINANCIAL STATEMENTS**

ROCKWALL COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Special Revenue			
	Emergency Management	Code Enforcement	Court Record Preservation	District Court Records Technology
ASSETS				
Cash and investments	\$ 4,242	\$ 105,769	\$ 67,424	\$ 39,264
Receivables (net of allowance for uncollectibles)				
Taxes	-	-	-	-
Accounts	34,570	-	-	-
Interest	-	-	-	-
Prepaid items	348	-	-	-
Total assets	\$ 39,160	\$ 105,769	\$ 67,424	\$ 39,264
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,068	\$ -	\$ -	\$ -
Accrued expenses	5,911	-	-	-
Unearned revenue	-	-	-	-
Due to others	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	8,979	-	-	-
Deferred inflows of resources:				
Unavailable revenue - notes receivable	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted for:				
Records preservation and management	-	-	67,424	-
Court security and technology	-	-	-	39,264
Legal	-	-	-	-
Public safety	30,181	105,769	-	-
Judicial	-	-	-	-
Capital acquisition and construction	-	-	-	-
Culture and recreation	-	-	-	-
Roads and bridges	-	-	-	-
Elections assistance and administration	-	-	-	-
Total fund balances	30,181	105,769	67,424	39,264
 Total liabilities, deferred inflows of resources, and fund balances	 \$ 39,160	 \$ 105,769	 \$ 67,424	 \$ 39,264

Special Revenue

<u>Law Library</u>	<u>County/ Court Technology</u>	<u>Justice Court Building Security</u>	<u>D. A. State</u>	<u>D. A. Forfeiture</u>	<u>Cities Readiness Initiative</u>	<u>Sheriff's Abandoned Property</u>
\$ 200,838	\$ 9,829	\$ 35,588	\$ 18,488	\$ 109,687	\$ -	\$ 10,112
-	-	-	-	-	-	-
-	-	-	-	-	5,604	-
-	-	-	-	-	-	-
<u>200,838</u>	<u>9,829</u>	<u>35,588</u>	<u>18,488</u>	<u>109,687</u>	<u>5,604</u>	<u>10,112</u>
\$ 2,285	\$ -	\$ -	\$ 16	\$ 2	\$ -	\$ -
583	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,868</u>	<u>-</u>	<u>-</u>	<u>16</u>	<u>2</u>	<u>5,604</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	9,829	35,588	-	-	-	-
197,970	-	-	18,472	109,685	-	-
-	-	-	-	-	-	10,112
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>197,970</u>	<u>9,829</u>	<u>35,588</u>	<u>18,472</u>	<u>109,685</u>	<u>-</u>	<u>10,112</u>
<u>200,838</u>	<u>9,829</u>	<u>35,588</u>	<u>18,488</u>	<u>109,687</u>	<u>5,604</u>	<u>10,112</u>

ROCKWALL COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Special Revenue				
	Emergency Management Federal Grant	Errors and Omissions Insurance	Public Safety Sales Tax	Child Abuse Prevention	District Clerk Records Management
ASSETS					
Cash and investments	\$ -	\$ 151,299	\$ 225,213	\$ 100	\$ 15,434
Receivables (net of allowance for uncollectibles)					
Taxes	-	-	77,068	-	-
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ -	\$ 151,299	\$ 302,281	\$ 100	\$ 15,434
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 1,500	\$ 100	\$ 10
Accrued expenses	-	-	-	-	113
Unearned revenue	-	-	-	-	-
Due to others	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	-	-	1,500	100	123
Deferred inflows of resources:					
Unavailable revenue - notes receivable	\$ -	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	-	-	-	-	-
Fund balances:					
Restricted for:					
Records preservation and management	-	-	-	-	15,311
Court security and technology	-	-	-	-	-
Legal	-	-	-	-	-
Public safety	-	-	300,781	-	-
Judicial	-	151,299	-	-	-
Capital acquisition and construction	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Roads and bridges	-	-	-	-	-
Elections assistance and administration	-	-	-	-	-
Total fund balances	-	151,299	300,781	-	15,311
Total liabilities, deferred inflows of resources, and fund balances					
	\$ -	\$ 151,299	\$ 302,281	\$ 100	\$ 15,434

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
\$ 213,122	\$ 23,505	\$ 194,768	\$ 811,265	\$ 31,214	\$ 222,467	\$ 32,886	\$ 119,536	\$ 51,556
-	-	-	-	-	-	-	-	-
1,445	-	110	-	270	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 214,567</u>	<u>\$ 23,505</u>	<u>\$ 194,878</u>	<u>\$ 811,265</u>	<u>\$ 31,484</u>	<u>\$ 222,467</u>	<u>\$ 32,886</u>	<u>\$ 119,536</u>	<u>\$ 51,556</u>
\$ 710	\$ 7,586	\$ 485	\$ 10,462	\$ 1,885	\$ 3	\$ 5	\$ 35	\$ 4,420
-	-	-	1,678	-	-	-	-	8,280
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>710</u>	<u>7,586</u>	<u>485</u>	<u>12,140</u>	<u>1,885</u>	<u>3</u>	<u>5</u>	<u>35</u>	<u>12,700</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	799,125	29,599	222,464	32,881	119,501	-
-	-	-	-	-	-	-	-	38,856
213,857	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	15,919	194,393	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>213,857</u>	<u>15,919</u>	<u>194,393</u>	<u>799,125</u>	<u>29,599</u>	<u>222,464</u>	<u>32,881</u>	<u>119,501</u>	<u>38,856</u>
<u>\$ 214,567</u>	<u>\$ 23,505</u>	<u>\$ 194,878</u>	<u>\$ 811,265</u>	<u>\$ 31,484</u>	<u>\$ 222,467</u>	<u>\$ 32,886</u>	<u>\$ 119,536</u>	<u>\$ 51,556</u>

ROCKWALL COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Special Revenue			
	Election Services	Library Building	Sheriff Forfeiture	Library
ASSETS				
Cash and investments	\$ 69,927	\$ 34,844	\$ 467,534	\$ 230,294
Receivables (net of allowance for uncollectibles)				
Taxes	-	-	-	-
Accounts	25,295	-	-	-
Interest	-	-	-	-
Prepaid items	-	-	-	-
Total assets	\$ 95,222	\$ 34,844	\$ 467,534	\$ 230,294
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 217	\$ 659	\$ -	\$ -
Accrued expenses	-	-	-	-
Unearned revenue	-	-	-	-
Due to others	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	217	659	-	-
Deferred inflows of resources:				
Unavailable revenue - liens receivable	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted for:				
Records preservation and management	-	-	-	-
Court security and technology	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	467,534	-
Judicial	-	-	-	-
Capital acquisition and construction	-	-	-	-
Culture and recreation	-	34,185	-	230,294
Roads and bridges	-	-	-	-
Elections assistance and administration	95,005	-	-	-
Total fund balances	95,005	34,185	467,534	230,294
Total liabilities, deferred inflows of resources, and fund balances	\$ 95,222	\$ 34,844	\$ 467,534	\$ 230,294

Special Revenue

D. A. Hot Check Fees	Road and Bridge	E.A.S.E. 2.0 Grant	Courthouse Renovation	Sheriff Pending Forfeiture	Sheriff Law Enforcement	Juvenile Delinquency Prevention
\$ 43,872	\$ 2,140,677	\$ -	\$ 26,640	\$ 252,849	\$ 10,126	\$ 50
-	181	-	-	-	-	-
-	392,963	-	-	-	-	-
-	281	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 43,872</u>	<u>\$ 2,534,102</u>	<u>\$ -</u>	<u>\$ 26,640</u>	<u>\$ 252,849</u>	<u>\$ 10,126</u>	<u>\$ 50</u>
\$ -	\$ 95,314	\$ -	\$ -	\$ -	\$ -	\$ -
-	25,211	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	252,833	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>120,525</u>	<u>-</u>	<u>-</u>	<u>252,833</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 217,716</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	217,716	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
43,872	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	16	10,126	50
-	-	-	-	-	-	-
-	-	-	26,640	-	-	-
-	-	-	-	-	-	-
-	2,195,861	-	-	-	-	-
-	-	-	-	-	-	-
<u>43,872</u>	<u>2,195,861</u>	<u>-</u>	<u>26,640</u>	<u>16</u>	<u>10,126</u>	<u>50</u>
<u>\$ 43,872</u>	<u>\$ 2,534,102</u>	<u>\$ -</u>	<u>\$ 26,640</u>	<u>\$ 252,849</u>	<u>\$ 10,126</u>	<u>\$ 50</u>

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ROCKWALL COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Capital Projects			Total
	Library Construction Bond	Library Renovation	Veterans Memorial	
ASSETS				
Cash and investments	\$ 55,170	\$ 548	\$ 8	\$ 6,026,145
Receivables (net of allowance for uncollectibles)				
Taxes	-	-	-	77,249
Accounts	-	-	-	460,257
Interest	-	-	-	281
Prepaid items	-	-	-	348
Total assets	\$ 55,170	\$ 548	\$ 8	\$ 6,564,280
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 30,328	\$ -	\$ -	\$ 159,090
Accrued expenses	-	-	-	41,776
Unearned revenue	-	-	-	-
Due to others	-	-	-	252,833
Due to other funds	-	-	-	5,604
Total liabilities	30,328	-	-	459,303
Deferred inflows of resources:				
Unavailable revenue - notes receivable	\$ -	\$ -	\$ -	\$ 217,716
Total deferred inflows of resources	-	-	-	217,716
Fund balances:				
Restricted for:				
Records preservation and management	-	-	-	1,286,305
Court security and technology	-	-	-	123,537
Legal	-	-	-	583,856
Public safety	-	-	-	924,569
Judicial	-	-	-	361,611
Capital acquisition and construction	24,842	548	8	52,038
Culture and recreation	-	-	-	264,479
Roads and bridges	-	-	-	2,195,861
Elections assistance and administration	-	-	-	95,005
Total fund balances	24,842	548	8	5,887,261
Total liabilities, deferred inflows of resources, and fund balances	\$ 55,170	\$ 548	\$ 8	\$ 6,564,280

ROCKWALL COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	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	137,999	4,535	17,375	14,345
Intergovernmental	-	-	-	-
Election	-	-	-	-
Investment earnings	5	-	-	-
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>138,004</u>	<u>4,535</u>	<u>17,375</u>	<u>14,345</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Roads and bridges	-	-	-	-
Public safety	159,878	7,947	-	-
Public service	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>159,878</u>	<u>7,947</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(21,874)</u>	<u>(3,412)</u>	<u>17,375</u>	<u>14,345</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Total other revenues and financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(21,874)</u>	<u>(3,412)</u>	<u>17,375</u>	<u>14,345</u>
FUND BALANCES/EQUITY, BEGINNING	<u>52,055</u>	<u>109,181</u>	<u>50,049</u>	<u>24,919</u>
FUND BALANCES/EQUITY, ENDING	<u>\$ 30,181</u>	<u>\$ 105,769</u>	<u>\$ 67,424</u>	<u>\$ 39,264</u>

Special Revenue

Law Library	County/ District Court Technology	Justice Court Building Security	D. A. State	D. A. Forfeiture	Cities Readiness Initiative	Sheriff's Abandoned Property
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	2,388	-	-
-	-	-	-	-	-	-
57,295	4,013	-	-	-	-	3,033
-	-	-	22,500	-	30,862	-
-	-	-	-	-	-	-
57	-	10	-	69	-	-
-	-	-	-	-	-	-
15,434	-	-	-	-	-	-
<u>72,786</u>	<u>4,013</u>	<u>10</u>	<u>22,500</u>	<u>2,457</u>	<u>30,862</u>	<u>3,033</u>
-	3,338	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	30,862	-
-	-	-	-	-	-	-
-	-	-	22,433	5,558	-	-
64,709	-	-	-	-	-	-
-	-	-	-	-	-	-
-	970	-	-	-	-	-
<u>64,709</u>	<u>4,308</u>	<u>-</u>	<u>22,433</u>	<u>5,558</u>	<u>30,862</u>	<u>-</u>
<u>8,077</u>	<u>(295)</u>	<u>10</u>	<u>67</u>	<u>(3,101)</u>	<u>-</u>	<u>3,033</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8,077	(295)	10	67	(3,101)	-	3,033
<u>189,893</u>	<u>10,124</u>	<u>35,578</u>	<u>18,405</u>	<u>112,786</u>	<u>-</u>	<u>7,079</u>
<u>\$ 197,970</u>	<u>\$ 9,829</u>	<u>\$ 35,588</u>	<u>\$ 18,472</u>	<u>\$ 109,685</u>	<u>\$ -</u>	<u>\$ 10,112</u>

ROCKWALL COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Special Revenue				
	Emergency Management Federal Grant	Errors and Omissions Insurance	Public Safety Sales Tax	Child Abuse Prevention	District Clerk Records Management
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Sales taxes	-	-	442,796	-	-
Fees and commissions	-	8,430	-	-	9,174
Intergovernmental	3,369	-	-	-	-
Election	-	-	-	-	-
Investment earnings	-	39	5	-	-
Donations	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>3,369</u>	<u>8,469</u>	<u>442,801</u>	<u>-</u>	<u>9,174</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Roads and bridges	-	-	-	-	-
Public safety	424	-	317,000	-	-
Public service	-	-	-	-	-
Judicial	-	-	-	-	8,497
Legal	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Capital outlay	<u>2,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,369</u>	<u>-</u>	<u>317,000</u>	<u>-</u>	<u>8,497</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>8,469</u>	<u>125,801</u>	<u>-</u>	<u>677</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Proceeds from sale of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other revenues and financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	8,469	125,801	-	677
FUND BALANCES/EQUITY, BEGINNING	<u>-</u>	<u>142,830</u>	<u>174,980</u>	<u>-</u>	<u>14,634</u>
FUND BALANCES/EQUITY, ENDING	<u>\$ -</u>	<u>\$ 151,299</u>	<u>\$ 300,781</u>	<u>\$ -</u>	<u>\$ 15,311</u>

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
24,555	8,425	17,025	189,275	5,578	185,810	-	32,103	51,412
-	-	-	-	-	-	25,996	-	-
52	4	66	299	-	-	-	21	4
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>24,607</u>	<u>8,429</u>	<u>17,091</u>	<u>189,574</u>	<u>5,578</u>	<u>185,810</u>	<u>25,996</u>	<u>32,124</u>	<u>51,416</u>
-	-	-	353,450	5,690	75,878	-	6,779	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	20,594	-	229,781
-	-	-	-	-	-	-	-	-
11,650	7,586	22,615	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	10,453	-	9,150	-	20,113	694
<u>11,650</u>	<u>7,586</u>	<u>22,615</u>	<u>363,903</u>	<u>5,690</u>	<u>85,028</u>	<u>20,594</u>	<u>26,892</u>	<u>230,475</u>
<u>12,957</u>	<u>843</u>	<u>(5,524)</u>	<u>(174,329)</u>	<u>(112)</u>	<u>100,782</u>	<u>5,402</u>	<u>5,232</u>	<u>(179,059)</u>
-	-	-	-	-	-	-	-	160,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	160,000
12,957	843	(5,524)	(174,329)	(112)	100,782	5,402	5,232	(19,059)
<u>200,900</u>	<u>15,076</u>	<u>199,917</u>	<u>973,454</u>	<u>29,711</u>	<u>121,682</u>	<u>27,479</u>	<u>114,269</u>	<u>57,915</u>
<u>\$ 213,857</u>	<u>\$ 15,919</u>	<u>\$ 194,393</u>	<u>\$ 799,125</u>	<u>\$ 29,599</u>	<u>\$ 222,464</u>	<u>\$ 32,881</u>	<u>\$ 119,501</u>	<u>\$ 38,856</u>

ROCKWALL COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Special Revenue			
	Election Services	Library Building	Sheriff Forfeiture	Library
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	489,214	73,782
Sales taxes	-	-	-	-
Fees and commissions	-	-	-	32,505
Intergovernmental	-	-	7,160	-
Election	139,010	-	-	-
Investment earnings	-	-	-	-
Donations	-	-	-	-
Miscellaneous	51	-	4,414	-
Total revenues	<u>139,061</u>	<u>-</u>	<u>500,788</u>	<u>106,287</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Roads and bridges	-	-	-	-
Public safety	-	-	66,230	-
Public service	113,918	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Culture and recreation	-	10,276	-	86,410
Health and welfare	-	-	-	-
Capital outlay	32,715	648	-	-
Total expenditures	<u>146,633</u>	<u>10,924</u>	<u>66,230</u>	<u>86,410</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,572)</u>	<u>(10,924)</u>	<u>434,558</u>	<u>19,877</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Total other revenues and financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(7,572)</u>	<u>(10,924)</u>	<u>434,558</u>	<u>19,877</u>
FUND BALANCES/EQUITY, BEGINNING	<u>102,577</u>	<u>45,109</u>	<u>32,976</u>	<u>210,417</u>
FUND BALANCES/EQUITY, ENDING	<u>\$ 95,005</u>	<u>\$ 34,185</u>	<u>\$ 467,534</u>	<u>\$ 230,294</u>

Special Revenue

D. A. Hot Check Fees	Road and Bridge	E.A.S.E. 2.0 Grant	Courthouse Renovation	Sheriff Pending Forfeiture	Sheriff Law Enforcement	Juvenile Delinquency Prevention
\$ -	\$ 7,788	\$ -	\$ -	\$ -	\$ -	\$ -
15,041	113,340	-	-	-	30,716	-
-	-	-	-	-	-	-
-	1,518,011	-	26,640	-	-	-
-	201,879	3,123,190	-	-	-	-
-	-	-	-	-	-	-
-	659	-	-	16	-	-
-	-	-	-	-	-	-
-	200,539	-	-	-	-	-
<u>15,041</u>	<u>2,042,216</u>	<u>3,123,190</u>	<u>26,640</u>	<u>16</u>	<u>30,716</u>	<u>-</u>
-	-	-	-	-	-	-
-	1,923,247	-	-	-	-	-
-	-	3,123,190	-	-	20,590	-
-	-	-	-	-	-	-
10,230	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	119,784	-	-	-	-	-
<u>10,230</u>	<u>2,043,031</u>	<u>3,123,190</u>	<u>-</u>	<u>-</u>	<u>20,590</u>	<u>-</u>
<u>4,811</u>	<u>(815)</u>	<u>-</u>	<u>26,640</u>	<u>16</u>	<u>10,126</u>	<u>-</u>
-	-	-	-	-	-	-
<u>-</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4,811	(565)	-	26,640	16	10,126	-
<u>39,061</u>	<u>2,196,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>
<u>\$ 43,872</u>	<u>\$ 2,195,861</u>	<u>\$ -</u>	<u>\$ 26,640</u>	<u>\$ 16</u>	<u>\$ 10,126</u>	<u>\$ 50</u>

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ROCKWALL COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Capital Projects			Total
	Library	Library	Veterans	
	Construction Bond	Renovation	Memorial	
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 7,788
Fines and forfeitures	-	-	-	724,481
Sales taxes	-	-	-	442,796
Fees and commissions	-	-	-	2,347,538
Intergovernmental	-	-	-	3,414,956
Election	-	-	-	139,010
Investment earnings	28	-	-	1,334
Donations	-	-	-	-
Miscellaneous	-	-	-	220,438
Total revenues	28	-	-	7,298,341
EXPENDITURES				
Current:				
General government	-	-	-	445,135
Roads and bridges	-	-	-	1,923,247
Public safety	-	-	-	822,444
Public service	-	-	-	3,267,970
Judicial	-	-	-	50,348
Legal	-	-	-	38,221
Culture and recreation	44,678	-	-	206,073
Health and welfare	-	-	-	-
Capital outlay	63,772	-	-	261,244
Total expenditures	108,450	-	-	7,014,682
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(108,422)	-	-	283,659
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	160,000
Proceeds from sale of assets	-	-	-	250
Total other revenues and financing sources (uses)	-	-	-	160,250
NET CHANGE IN FUND BALANCES	(108,422)	-	-	443,909
FUND BALANCES/EQUITY, BEGINNING	133,264	548	8	5,443,352
FUND BALANCES/EQUITY, ENDING	\$ 24,842	\$ 548	\$ 8	\$ 5,887,261

ROCKWALL COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN TRUST AND AGENCY FUNDS ASSETS AND LIABILITIES AGENCY FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>TAX ASSESSOR AND COLLECTOR</u>				
Assets:				
Cash	\$ 2,373,623	\$ 28,621,894	\$ 28,149,964	\$ 2,845,553
Total assets	<u>\$ 2,373,623</u>	<u>\$ 28,621,894</u>	<u>\$ 28,149,964</u>	<u>\$ 2,845,553</u>
Liabilities:				
Due to other governments	\$ 2,373,623	\$ 28,621,894	\$ 28,149,964	\$ 2,845,553
Total liabilities	<u>\$ 2,373,623</u>	<u>\$ 28,621,894</u>	<u>\$ 28,149,964</u>	<u>\$ 2,845,553</u>
<u>COUNTY CLERK</u>				
Assets:				
Cash	\$ 218,570	\$ 236,399	\$ 65,252	\$ 389,717
Total assets	<u>\$ 218,570</u>	<u>\$ 236,399</u>	<u>\$ 65,252</u>	<u>\$ 389,717</u>
Liabilities:				
Due to others	\$ 218,570	\$ 236,399	\$ 65,252	\$ 389,717
Total liabilities	<u>\$ 218,570</u>	<u>\$ 236,399</u>	<u>\$ 65,252</u>	<u>\$ 389,717</u>
<u>DISTRICT ATTORNEY</u>				
Assets:				
Cash	\$ 375,962	\$ 393,645	\$ 640,924	\$ 128,683
Total assets	<u>\$ 375,962</u>	<u>\$ 393,645</u>	<u>\$ 640,924</u>	<u>\$ 128,683</u>
Liabilities:				
Due to others	\$ 375,962	\$ 393,645	\$ 640,924	\$ 128,683
Total liabilities	<u>\$ 375,962</u>	<u>\$ 393,645</u>	<u>\$ 640,924</u>	<u>\$ 128,683</u>

ROCKWALL COUNTY, TEXAS

**COMBINING STATEMENT OF CHANGES IN
TRUST AND AGENCY FUNDS ASSETS AND LIABILITIES**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>DISTRICT CLERK</u>				
Assets:				
Cash	\$ 913,851	\$ 1,721,325	\$ 1,849,741	\$ 785,435
Total assets	<u>\$ 913,851</u>	<u>\$ 1,721,325</u>	<u>\$ 1,849,741</u>	<u>\$ 785,435</u>
Liabilities:				
Due to others	<u>913,851</u>	<u>1,721,325</u>	<u>1,849,741</u>	<u>785,435</u>
Total liabilities	<u>\$ 913,851</u>	<u>\$ 1,721,325</u>	<u>\$ 1,849,741</u>	<u>\$ 785,435</u>
<u>SHERRIFF</u>				
Assets:				
Cash	\$ 105,820	\$ 2,003,534	\$ 1,964,781	\$ 144,573
Total assets	<u>\$ 105,820</u>	<u>\$ 2,003,534</u>	<u>\$ 1,964,781</u>	<u>\$ 144,573</u>
Liabilities:				
Due to others	<u>105,820</u>	<u>2,003,534</u>	<u>1,964,781</u>	<u>144,573</u>
Total liabilities	<u>\$ 105,820</u>	<u>\$ 2,003,534</u>	<u>\$ 1,964,781</u>	<u>\$ 144,573</u>
<u>BAIL BOND BOARD</u>				
Assets:				
Cash	\$ 955,562	\$ 106,288	\$ 6,942	\$ 1,054,908
Total assets	<u>\$ 955,562</u>	<u>\$ 106,288</u>	<u>\$ 6,942</u>	<u>\$ 1,054,908</u>
Liabilities:				
Due to others	<u>\$ 955,562</u>	<u>\$ 106,288</u>	<u>\$ 6,942</u>	<u>\$ 1,054,908</u>
Total liabilities	<u>\$ 955,562</u>	<u>\$ 106,288</u>	<u>\$ 6,942</u>	<u>\$ 1,054,908</u>

ROCKWALL COUNTY, TEXAS

**COMBINING STATEMENT OF CHANGES IN
TRUST AND AGENCY FUNDS ASSETS AND LIABILITIES**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Balance October 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2014</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets:				
Cash	\$ 4,943,388	\$ 33,083,085	\$ 32,677,604	\$ 5,348,869
Total assets	<u>\$ 4,943,388</u>	<u>\$ 33,083,085</u>	<u>\$ 32,677,604</u>	<u>\$ 5,348,869</u>
Liabilities:				
Due to others	\$ 2,569,765	\$ 4,461,191	\$ 4,527,640	\$ 2,503,316
Due to other governments	<u>2,373,623</u>	<u>28,621,894</u>	<u>28,149,964</u>	<u>2,845,553</u>
Total liabilities	<u>\$ 4,943,388</u>	<u>\$ 33,083,085</u>	<u>\$ 32,677,604</u>	<u>\$ 5,348,869</u>

STATISTICAL SECTION

(Unaudited)

This part of Rockwall County, Texas' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance has changed over time.	70 – 81
Revenue Capacity These schedules contain trend information to help the reader assess the factors affecting the County's ability to generate its electric utility, sales tax and property tax revenues.	82 – 86
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and its ability to issue additional debt in the future.	87 – 91
Economic and Demographic Indicators These schedules contain economic and demographic information to help the reader understand the environment within which the County's financial activities take place.	92 – 93
Operating Information These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	94 – 99

ROCKWALL COUNTY, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
Governmental activities:				
Net investment in capital assets	\$ 12,994,274	\$ 20,930,434	\$ 26,066,075	\$ 18,127,429
Restricted	6,586,418	6,868,464	7,200,204	9,784,038
Unrestricted	<u>1,314,154</u>	<u>2,072,187</u>	<u>7,714,201</u>	<u>26,058,439</u>
Total governmental activities net position	<u>\$ 20,894,846</u>	<u>\$ 29,871,085</u>	<u>\$ 40,980,480</u>	<u>\$ 53,969,906</u>
Primary government:				
Net investment in capital assets	\$ 12,994,274	\$ 20,930,434	\$ 26,066,075	\$ 18,127,429
Restricted	6,586,418	6,868,464	7,200,204	9,784,038
Unrestricted	<u>1,314,154</u>	<u>2,072,187</u>	<u>7,714,201</u>	<u>26,058,439</u>
Total primary government net position	<u>\$ 20,894,846</u>	<u>\$ 29,871,085</u>	<u>\$ 40,980,480</u>	<u>\$ 53,969,906</u>

Source: Rockwall County financial records.

TABLE 1

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ 15,496,008	\$ 13,714,108	\$ 12,633,499	\$ 8,842,844	\$ 6,685,933	\$ 4,368,078
6,781,326	6,712,964	4,658,169	14,596,117	4,272,287	1,918,372
<u>27,695,633</u>	<u>24,676,422</u>	<u>20,010,619</u>	<u>7,139,351</u>	<u>12,901,219</u>	<u>11,223,231</u>
<u>\$ 49,972,967</u>	<u>\$ 45,103,494</u>	<u>\$ 37,302,287</u>	<u>\$ 30,578,312</u>	<u>\$ 23,859,439</u>	<u>\$ 17,509,681</u>
\$ 15,496,008	\$ 13,714,108	\$ 12,633,499	\$ 8,842,844	\$ 6,685,933	\$ 4,368,078
6,781,326	6,712,964	4,658,169	14,596,117	4,272,287	1,918,372
<u>27,695,633</u>	<u>24,676,422</u>	<u>20,010,619</u>	<u>7,139,351</u>	<u>12,901,219</u>	<u>11,223,231</u>
<u>\$ 49,972,967</u>	<u>\$ 45,103,494</u>	<u>\$ 37,302,287</u>	<u>\$ 30,578,312</u>	<u>\$ 23,859,439</u>	<u>\$ 17,509,681</u>

ROCKWALL COUNTY, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
EXPENSES				
Governmental activities:				
General government	\$ 5,867,997	\$ 5,522,225	\$ 5,423,438	\$ 3,720,438
Judicial	3,743,115	3,257,514	2,994,833	2,926,106
Legal	2,141,138	1,838,282	1,776,835	1,660,659
Financial administration	1,997,162	1,687,204	1,752,081	1,750,938
Public Facilities	3,842,926	585,122	706,107	789,944
Public safety	12,959,766	11,698,310	11,462,939	11,064,731
Public Services	596,288	560,015	763,569	842,284
Roads and Bridges	25,659,403	20,193,170	9,061,497	1,872,573
Health and welfare	1,334,764	980,619	1,143,843	897,011
Culture and Recreation	1,668,304	1,517,513	1,520,272	1,505,035
Conservation	111,439	89,046	107,024	136,423
Interest on long-term debt	4,453,876	3,434,549	2,579,739	2,422,078
Total expenses	<u>64,376,179</u>	<u>51,363,569</u>	<u>39,292,177</u>	<u>29,588,220</u>
PROGRAM REVENUES				
Governmental activities:				
Fees, fines and charges for services:				
General government	\$ 1,539,098	\$ 1,440,264	\$ 1,256,007	\$ 1,217,602
Judicial	1,598,415	1,289,890	933,154	996,861
Legal	17,645	18,785	17,770	19,890
Financial administration	92,903	711,550	486,116	350,557
Public Facilities	185,486	80,660	206,898	77,420
Public Safety	1,227,276	1,358,506	1,429,601	1,226,854
Roads and bridges	1,609,111	1,693,886	1,318,523	1,279,912
Culture and recreation	163,582	147,533	148,095	161,448
Health and welfare	106,885	99,934	83,142	51,400
Conservation	-	-	-	-
Operating grants and contributions	19,872,015	4,812,739	858,739	569,213
Capital grants and contributions	175,748	7,320	29,600	108,580
Total governmental activities program revenues	<u>26,588,164</u>	<u>11,661,067</u>	<u>6,767,645</u>	<u>6,059,737</u>
NET (EXPENSE) REVENUES				
Governmental activities	\$(37,788,015)	\$(39,702,502)	\$(32,524,532)	\$(23,528,483)
Total primary government net expense	<u>(37,788,015)</u>	<u>(39,702,502)</u>	<u>(32,524,532)</u>	<u>(23,528,483)</u>

TABLE 2

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ 2,996,862	\$ 3,430,482	\$ 4,911,158	\$ 5,607,410	\$ 3,258,914	\$ 3,107,680
2,564,139	2,481,227	2,371,285	2,088,514	2,316,420	2,088,878
1,507,743	1,406,330	1,289,152	1,170,020	1,047,173	978,229
1,762,344	1,712,324	1,437,998	1,455,287	1,329,449	1,284,196
832,497	768,406	894,060	917,639	844,255	704,179
10,732,615	10,226,058	9,677,827	8,109,613	7,548,286	6,535,582
994,641	949,547	870,537	804,559	309,945	70,869
1,901,293	1,647,367	1,692,275	1,469,238	1,383,151	1,113,833
1,013,718	1,043,861	934,664	766,869	623,740	863,916
1,520,001	1,498,637	1,316,823	703,138	640,766	567,371
133,711	143,294	117,413	125,278	94,101	81,278
<u>2,655,252</u>	<u>1,859,758</u>	<u>1,184,575</u>	<u>585,944</u>	<u>1,525,336</u>	<u>1,434,376</u>
<u>28,614,816</u>	<u>27,167,291</u>	<u>26,697,767</u>	<u>23,803,509</u>	<u>20,921,536</u>	<u>18,830,387</u>
\$ 1,238,398	\$ 1,279,907	\$ 1,430,604	\$ 3,545,296	\$ 3,283,646	\$ 2,265,688
1,121,827	1,127,793	1,409,810	2,660,690	2,437,339	1,825,416
20,480	21,902	36,192	19,099	39,820	51,913
235,856	290,981	437,003	93,475	262,021	284,712
138,819	89,117	96,755	-	-	-
1,176,261	1,210,899	742,440	497,840	799,585	505,097
1,332,031	1,504,285	1,494,849	945,983	1,046,909	1,003,829
164,997	154,347	102,736	136,987	50,190	48,895
74,049	89,827	108,468	-	-	-
-	3,000	32,000	-	-	-
580,869	592,280	754,289	318,581	379,080	413,694
<u>280,025</u>	<u>174,944</u>	<u>189,753</u>	<u>-</u>	<u>249,624</u>	<u>-</u>
<u>6,363,612</u>	<u>6,539,282</u>	<u>6,834,899</u>	<u>8,217,951</u>	<u>8,548,214</u>	<u>6,399,244</u>
<u>\$(22,251,204)</u>	<u>\$(20,628,009)</u>	<u>\$(19,862,868)</u>	<u>\$(15,585,558)</u>	<u>\$(12,373,322)</u>	<u>\$(12,431,143)</u>
<u>(22,251,204)</u>	<u>(20,628,009)</u>	<u>(19,862,868)</u>	<u>(15,585,558)</u>	<u>(12,373,322)</u>	<u>(12,431,143)</u>

ROCKWALL COUNTY, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property taxes	\$ 28,520,463	\$ 27,043,675	\$ 26,849,646	\$ 26,765,968
Mixed beverage	223,064	227,299	202,896	220,068
Sales Tax	1,263,427	347,819	269,863	215,543
Investment earnings	82,843	89,062	160,606	273,489
Miscellaneous	265,433	41,706	39,748	7,371
Intergovernmental Revenue	-	-	-	-
Gain from sale of capital assets	4,894	843,545	194,210	42,983
Total governmental activities	<u>30,360,124</u>	<u>28,593,106</u>	<u>27,716,969</u>	<u>27,525,422</u>
Total primary government	<u>30,360,124</u>	<u>28,593,106</u>	<u>27,716,969</u>	<u>27,525,422</u>
CHANGE IN NET POSITION				
Governmental activities	<u>(7,427,891)</u>	<u>(11,109,396)</u>	<u>(4,807,563)</u>	<u>3,996,939</u>
Total primary government	<u><u>\$(7,427,891)</u></u>	<u><u>\$(11,109,396)</u></u>	<u><u>\$(4,807,563)</u></u>	<u><u>\$ 3,996,939</u></u>

Source: Rockwall County financial records

TABLE 2

Fiscal Year					
<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 26,080,238	\$ 25,376,377	\$ 22,540,006	\$ 19,529,973	\$ 17,229,938	\$ 15,894,950
221,537	207,816	179,886	161,861	-	-
246,190	234,794	272,014	270,597	352,865	106,517
257,275	544,417	1,243,200	1,657,302	1,112,183	559,564
56,982	65,812	33,904	64,935	31,764	211,112
-	-	-	69,786	140,386	-
-	-	100,369	14,276	13,200	-
<u>26,862,222</u>	<u>26,429,216</u>	<u>24,369,379</u>	<u>21,768,730</u>	<u>18,880,336</u>	<u>16,772,143</u>
<u>26,862,222</u>	<u>26,429,216</u>	<u>24,369,379</u>	<u>21,768,730</u>	<u>18,880,336</u>	<u>16,772,143</u>
<u>4,611,018</u>	<u>5,801,207</u>	<u>4,506,511</u>	<u>6,183,172</u>	<u>6,507,014</u>	<u>4,341,000</u>
<u>\$ 4,611,018</u>	<u>\$ 5,801,207</u>	<u>\$ 4,506,511</u>	<u>\$ 6,183,172</u>	<u>\$ 6,507,014</u>	<u>\$ 4,341,000</u>

ROCKWALL COUNTY, TEXAS

**FUND BALANCES
GOVERNMENTAL FUNDS**

LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
General fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, undesignated	-	-	-	-
Designated - Capital Outlay	-	-	-	-
Undesignated	-	-	-	-
Nonspendable				
Prepays	461,006	245,073	107,119	66,527
Assigned for:				
Capital acquisition and construction	-	-	-	-
Utilization of fund balance	-	-	-	-
Future budget offset	5,000,000	-	1,500,000	5,200,000
Unassigned	13,603,826	18,264,485	14,815,699	14,520,296
Total primary government net assets	<u>\$ 19,064,832</u>	<u>\$ 18,509,558</u>	<u>\$ 16,422,818</u>	<u>\$ 19,786,823</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved				
Designated				
Road and Bridge	-	-	-	-
Library Construction	-	-	-	-
Capital Outlay	-	-	-	-
Capital Projects	-	-	-	-
Special Revenue	-	-	-	-
Undesignated	-	-	-	-
Nonspendable				
Prepays	-	-	-	-
Restricted for:				
Capital acquisition and construction	52,038	133,820	196,169	3,757,613
Debt service	1,262,908	1,897,450	1,717,636	1,256,196
Records preservation and management	1,286,305	1,331,278	1,468,521	1,570,014
Court security and technology	123,537	128,536	118,495	100,350
Legal	583,856	561,045	531,947	538,230
Public Safety	924,569	376,321	377,793	499,641
Judicial	361,611	357,823	364,748	369,162
Culture and recreation	264,479	255,526	310,232	302,015
Roads and bridges	15,128,765	38,331,673	15,825,333	2,710,090
Elections assistance and administration	95,005	102,577	99,058	171,093
Assigned for:				
Capital acquisition and construction	-	-	-	235
Utilization of fund balance	-	-	-	-
Future budget offset	-	-	-	-
Unassigned	-	-	200	-
Total all other governmental funds	<u>\$ 20,083,073</u>	<u>\$ 43,476,049</u>	<u>\$ 21,010,132</u>	<u>\$ 11,274,639</u>

Source: Rockwall County financial records

TABLE 3

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ -	\$ -	\$ -	\$ -	\$ 540,467	\$ 447,341
-	-	-	-	-	-
-	-	-	1,100,335	13,296,447	-
20,867,180	20,994,789	19,826,660	17,413,421	-	10,463,022
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 20,867,180</u>	<u>\$ 20,994,789</u>	<u>\$ 19,826,660</u>	<u>\$ 18,513,756</u>	<u>\$ 13,836,914</u>	<u>\$ 10,910,363</u>
\$ 494,855	\$ 1,034,692	\$ 947,321	\$ 2,964,242	\$ 2,179,279	2201969
-	-	-	-	-	-383229
-	-	-	768,755	-	-
-	-	-	9,446,580	-	-
-	-	-	-	-	-
30,704,131	34,746,239	30,303,500	-	-	-
6,681,159	6,077,690	4,358,551	396,984	-	-
-	-	-	-	1,049,775	11,320,871
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 37,880,145</u>	<u>\$ 41,858,621</u>	<u>\$ 35,609,372</u>	<u>\$ 13,576,561</u>	<u>\$ 3,229,054</u>	<u>\$ 13,139,611</u>

ROCKWALL COUNTY, TEXAS

CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
REVENUES				
Property taxes	\$ 28,520,463	\$ 27,002,477	\$ 26,992,947	\$ 26,702,897
Beverage Taxes	278,102	227,299	202,896	220,068
Fines and forfeitures	1,708,936	1,139,616	1,086,807	1,242,999
Sales or Other tax	1,263,427	347,819	269,863	215,543
Fees and commissions	4,328,673	5,494,901	4,752,670	4,112,614
Intergovernmental	3,618,491	383,347	793,735	498,707
Election	139,010	49,400	148,419	44,976
Investment Earnings	82,546	88,303	158,713	266,552
Grants	-	-	-	-
Donations	-	7,320	39,600	95,089
Note Proceeds	-	-	-	-
Miscellaneous	316,672	92,984	83,458	88,100
Total revenues	<u>40,256,320</u>	<u>34,833,466</u>	<u>34,529,108</u>	<u>33,487,545</u>
EXPENDITURES				
General government	3,658,642	3,645,587	3,618,311	2,972,944
Financial administration	1,781,318	1,661,744	1,705,512	1,721,015
Commissioner expenses	397,304	383,368	382,036	384,136
Roads and highways	25,158,655	19,783,183	8,610,316	1,542,648
Public safety	11,399,513	11,334,298	11,168,528	10,665,842
Public facilities	546,299	555,226	541,702	835,783
Public services	3,766,566	540,590	653,165	749,804
Judicial	3,443,020	3,229,542	2,935,351	2,891,452
Legal	1,898,428	1,817,701	1,740,634	1,649,483
Culture and recreation	1,239,951	1,186,327	1,176,022	1,465,775
Health and welfare	1,277,056	969,474	1,118,537	890,036
Conservation	92,771	88,302	104,996	135,380
Capital outlay	1,057,147	1,564,558	6,154,135	30,321,839
Other	-	-	-	-
Debt service				
Principal	2,660,000	2,555,000	2,590,000	2,575,000
Interest and fiscal charges	4,739,280	3,134,254	2,373,052	2,513,550
Bond issuance cost and fees	3,850	577,510	259,595	2,301
Total expenditures	<u>63,119,800</u>	<u>53,026,664</u>	<u>45,131,892</u>	<u>61,316,988</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(22,863,480)</u>	<u>(18,193,198)</u>	<u>(10,602,784)</u>	<u>(27,829,443)</u>

TABLE 4

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ 26,092,909	\$ 25,251,193	\$ 22,089,433	\$ 19,529,972	\$ 17,257,541	\$ 13,143,606
221,537	207,816	179,886	161,861	4,340,442	106,517
1,338,198	1,340,876	1,479,461	1,483,391	1,516,822	1,054,823
246,190	234,794	272,014	270,597	226,676	
4,004,164	4,267,808	3,909,446	4,063,909	126,190	2,423,123
126,111	236,580	261,487	69,786	127,476	60,533
111,632	59,014	85,148	54,556	-	
257,275	544,417	1,243,200	1,666,222	1,110,914	494,532
457,875	580,489	542,259	318,581	628,704	-
5,500	26,180	260,238	-	-	-
-	-	-	-	550,000	-
140,211	94,147	67,612	64,935	31,193	136,347
<u>33,001,602</u>	<u>32,843,314</u>	<u>30,390,184</u>	<u>27,683,810</u>	<u>25,915,958</u>	<u>17,419,481</u>
3,613,848	2,682,124	4,177,743	2,637,371	2,650,380	1,427,065
1,694,096	1,702,817	1,451,139	1,374,125	1,195,339	1,168,234
370,898	381,276	377,896	319,893	-	
1,567,666	1,390,912	2,054,074	1,620,422	1,466,883	281,856
10,148,619	10,065,016	9,742,322	8,126,425	7,542,484	6,312,865
975,657	945,362	870,644	917,639	844,255	728,837
787,153	735,693	833,562	792,307	305,032	-
2,500,281	2,418,266	2,371,924	2,081,291	2,302,825	2,083,829
1,468,389	1,416,505	1,311,248	1,170,020	1,047,174	951,621
1,473,056	1,507,163	9,595,179	2,865,539	657,014	532,522
998,039	1,041,453	937,942	766,869	623,740	866,039
129,166	145,075	120,691	106,909	94,101	81,278
7,991,509	6,180,618	1,745,272	1,233,862	889,491	36,202
-	-	-	6,449	53,055	-
3,297,500	3,155,000	1,815,000	1,805,000	1,655,000	-
2,597,642	1,664,829	1,216,912	505,210	518,772	-
252,535	501,844	-	-	-	-
<u>39,866,054</u>	<u>35,933,953</u>	<u>38,621,548</u>	<u>26,329,331</u>	<u>21,845,545</u>	<u>14,470,348</u>
(6,864,452)	(3,090,639)	(8,231,364)	1,354,479	4,070,413	2,949,133

ROCKWALL COUNTY, TEXAS

**CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
OTHER FINANCING SOURCES (USES)				
Issuance of long term debt	\$ -	\$ 39,050,000	\$ 16,010,000	\$ -
Transfers in	160,000	810,853	5,402,211	2,499,250
Transfers out	(160,000)	(810,853)	(5,402,211)	(2,499,250)
Premium on issuance of bonds	-	2,082,407	717,562	-
Discount on issuance of bonds	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Sale of capital assets	<u>25,778</u>	<u>1,613,448</u>	<u>246,710</u>	<u>143,580</u>
Total other financing sources (uses)	<u>25,778</u>	<u>42,745,855</u>	<u>16,974,272</u>	<u>143,580</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ (22,837,702)</u></u>	<u><u>\$ 24,552,657</u></u>	<u><u>\$ 6,371,488</u></u>	<u><u>\$ (27,685,863)</u></u>
DEBT SERVICES (PRINCIPAL AND INTEREST) AS PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>11.72%</u>	<u>10.73%</u>	<u>11.00%</u>	<u>8.30%</u>

Source: Rockwall County financial records

TABLE 4

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ 11,275,000	\$ 35,325,000	\$ 32,000,000	\$ 12,750,000	\$ -	\$ -
590,664	1,168,739	193,124	111,738	913,616	31,889
(590,664)	(1,704,543)	(193,124)	-	(913,616)	(21,049)
392,687	161,737	-	-	-	-
(39,091)	(295,213)	-	-	-	-
(8,990,432)	(24,177,444)	-	-	-	-
<u>120,203</u>	<u>29,741</u>	<u>132,833</u>	<u>14,276</u>	<u>13,200</u>	<u>-</u>
<u>2,758,367</u>	<u>10,508,017</u>	<u>32,132,833</u>	<u>\$12,876,014</u>	<u>13,200</u>	<u>10,840</u>
<u>\$(4,106,085)</u>	<u>\$ 7,417,378</u>	<u>\$ 23,901,469</u>	<u>\$ 14,230,493</u>	<u>\$ 4,083,613</u>	<u>\$ 2,959,973</u>
<u>14.79%</u>	<u>13.41%</u>	<u>7.85%</u>	<u>8.77%</u>	<u>9.95%</u>	<u>- %</u>

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ROCKWALL COUNTY, TEXAS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Real Property			Personal Property	Less: Productivity Loss and Homestead Cap	Total Taxable Assessed Value ^a	Total Direct Tax Rate
	Residential Property	Commercial Property	Other Property				
2014	\$ 5,662,722,494	\$ 2,294,693,536	\$ 138,467,630	\$ 1,154,571,338	\$ 495,044,251	8,755,410,747	0.3959
2013	5,215,032,786	2,045,855,960	133,240,690	1,020,575,605	471,283,521	7,943,421,520	0.3959
2012	5,127,725,788	1,946,172,605	130,835,820	957,333,157	479,329,255	7,682,738,115	0.3864
2011	5,024,072,405	1,966,430,425	131,470,610	954,586,780	483,857,835	7,592,702,385	0.3864
2010	4,961,747,551	1,991,234,291	134,229,160	955,429,662	485,942,857	7,556,697,807	0.3864
2009	4,906,892,163	2,031,828,080	136,349,990	891,514,315	495,774,465	7,470,810,083	0.3775
2008	4,761,419,453	1,975,327,119	126,440,170	904,622,372	508,583,829	7,259,225,285	0.3750
2007	4,510,684,537	1,719,184,523	133,176,430	783,297,193	453,019,209	6,693,323,474	0.3500
2006	4,053,533,745	1,579,639,961	127,388,458	733,775,915	448,623,885	6,045,714,194	0.3507
2005	3,523,084,513	1,317,819,865	95,665,460	660,050,529	354,001,700	5,242,618,667	0.3507

Source: Rockwall County Appraisal District

Notes:

- a - Property is assessed at actual value; therefore, the assessed values are equal to actual value.
- b - Tax rates are per \$100 of assessed value.

ROCKWALL COUNTY, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATE (PER \$ 100 ASSESSED VALUE)

LAST TEN FISCAL YEARS

(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
County direct rates				
General	\$ 0.3018	\$ 0.3023	\$ 0.3079	\$ 0.2995
Debt Service	0.0001	0.0001	0.0001	0.0025
Road and bridge	0.0940	0.0840	0.0784	0.0844
Total direct rate	0.3959	0.3864	0.3864	0.3864
Cities				
Dallas	0.7970	0.8000	0.8000	0.8000
Fate	0.3067	0.2700	0.2500	0.2500
Heath	0.4266	0.3400	0.3400	0.3400
McLendon-Chisholm	0.0974	0.0974	0.0975	0.0975
Rockwall	0.4955	0.5025	0.5025	0.5031
Rowlett	0.7872	0.7500	0.7500	0.7500
Royse City	0.6771	0.7000	0.0690	0.6700
Wylie	0.8789	0.8800	0.8900	0.9000
School Districts				
Rockwall ISD	1.4400	1.4600	1.4700	1.4700
Royse City ISD	1.6700	1.6700	1.6700	1.6100
Municipal Utility District				
Rockwall County Cons MUD	0.6000	0.6500	0.7000	0.7200
Veranduh MUD	0.8500	0.8500	0.8500	0.8500

Source: Rockwall County Central Appraisal District

Note: Overlapping rates are those of other governments that apply to property owners within Rockwall County. Not all overlapping rates apply to all County property owners. For example, although the total Direct Rate for Rockwall County applies to all County property owners, a specific City's tax rate applies only to those taxpayers whose property is located within the City's geographic boundaries.

TABLE 6

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ 0.2969	\$ 0.2991	0.2970	0.3046	\$ 0.3001	\$ 0.2947
0.0025	0.0025	0.0025	0.0025	0.0025	0.0025
<u>0.0781</u>	<u>0.0734</u>	<u>0.0505</u>	<u>0.0436</u>	<u>0.0481</u>	<u>0.0535</u>
0.3775	0.3750	0.3500	0.3507	0.3507	0.3507
0.8000	0.7500	0.7500	0.7500	0.7300	0.7400
0.2500	0.2100	0.2100	0.2100	0.2100	0.2100
0.3400	0.3400	0.3400	0.3400	0.3400	0.3400
0.0975	0.0975	0.0975	0.0975	0.0975	0.0975
0.5031	0.5000	0.5000	0.4900	0.4300	0.3700
0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
0.6600	0.6600	0.6600	0.4900	0.4900	0.4900
0.9000	0.9000	0.9000	0.7300	0.7100	0.7000
1.4700	1.4700	1.4700	1.4700	1.7100	1.8800
1.5600	1.4300	1.4300	1.3500	1.5700	1.7500
0.7200	0.7200	0.7500	0.7500	0.7500	0.7500
0.8500	0.8500	0.8500	0.8500	0.8500	0.8500

TABLE 7

ROCKWALL COUNTY, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Taxpayer	Property Tax Year					
	2014			2006		
	Taxable Assessed Value ^a	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Oncor Electric Delivery Co.	\$ 80,683,840	1	1.01%	\$ -		- %
Excel Rockwall LLC	55,675,990	2	0.70%	-		- %
BRE MF Rockwall LLC	47,438,850	3	0.60%	-		- %
Bimbo Bakeries	46,015,102	4	0.58%	-		- %
Rockwall Crossing LTD	35,515,640	5	0.45%	19,822,700	6	0.35%
Bella Harbor Hotel Venture LLC	34,772,370	6	0.44%	-		- %
Rockwall Regional Hospital LLP	30,191,360	7	0.38%	-		- %
Allen Foods Inc.	28,856,560	8	0.36%	-		- %
Lake Point Medical Center	25,066,110	9	0.31%	29,031,450	3	0.51%
Rockwall Dunhill LLC	24,831,260	10	0.31%	-		- %
TXU Electric Delivery Co	-		- %	73,071,300	1	1.29%
Continental PET Technology	-		- %	30,974,977	2	0.55%
Mariah Bay Development Inc.	-		- %	25,361,410	4	0.45%
Wal-Mart Real Estate	-		- %	22,518,286	5	0.40%
SPM/WRI Rockwall LP	-		- %	18,700,000	7	0.33%
Southwestern Bell Telephone Co	-		- %	17,377,080	8	0.31%
Mission NE Dallas 1 LLC	-		- %	15,686,510	9	0.28%
Texas Star Express	-		- %	13,012,768	10	0.23%
Total	<u>\$ 409,047,082</u>		<u>5.13%</u>	<u>\$ 265,556,481</u>		<u>4.70%</u>
Total taxable assessed value	<u>\$ 7,965,874,781</u>		<u>- %</u>	<u>\$ 5,646,745,268</u>		<u>- %</u>

Source: Rockwall Central Appraisal District

ROCKWALL COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Tax Levy as of Fiscal Year End ^a	Collected within the Fiscal Year of the Levy		Subsequent Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 28,364,361	\$ 28,247,065	99.59%	\$ -	\$ 28,247,065	99.59%
2013	26,831,508	26,547,274	98.94%	224,515	26,771,789	99.78%
2012	26,555,718	26,316,305	99.10%	200,491	26,516,796	99.85%
2011	26,339,375	25,937,874	98.48%	370,818	26,308,691	99.88%
2010	25,606,811	25,237,634	98.56%	340,777	25,578,411	99.89%
2009	24,918,257	24,500,390	98.32%	410,127	24,910,517	99.97%
2008	21,715,484	21,421,133	98.64%	33,930	21,455,063	98.80%
2007	19,623,957	19,487,578	99.31%	125,781	19,613,359	99.95%
2006	17,117,969	17,018,456	99.42%	85,167	17,103,623	99.92%
2005	15,560,002	15,498,222	99.60%	52,124	15,550,346	99.94%

Source: Rockwall County financial records

Note: a - Tax levies consider supplemental value changes during the initial fiscal year.

ROCKWALL COUNTY, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities			Total Long-term Debt	Percentage of Personal Income ^{b,c}	Per Capita ^b
	General Obligation Bonds	Premium Refunding	Certificates of Obligation			
2014	\$ 103,755,000	\$ 2,812,862	\$ -	\$ 106,567,862	N/A	\$ 1,112
2013	106,415,000	2,971,008	-	109,386,008	2.40%	1,283
2012	69,920,000	937,147	-	70,857,147	1.61%	853
2011	56,500,000	231,332	-	56,731,332	1.40%	699
2010	59,075,000	242,112	-	59,317,112	1.58%	751
2009	57,485,000	116,078	2,575,000	60,176,078	1.70%	785
2008	49,240,000	17,398	2,805,000	52,062,398	1.51%	704
2007	18,835,000	-	3,025,000	21,860,000	0.71%	309
2006	7,370,000	310,000	3,235,000	10,915,000	0.40%	165
2005	7,970,000	610,000	3,440,000	12,020,000	0.50%	199

Source: Rockwall County financial records

Notes: a - Details regarding the County's outstanding debt can be found in the notes to the financial statements.

b - See Table 13 for personal income and population data.

ROCKWALL COUNTY, TEXAS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING^a

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	General Bonded Debt Outstanding			Total	Less: Amounts Available for Debt Service	Net General Bonded Debt	Percentage of Actual Taxable Property Value ^b	Per Capita ^c
	General Obligation Bonds	Premium on Bonds	Certificates of Obligation					
2014	\$ 103,755,000	\$ 2,812,862	\$ -	\$ 106,567,862	\$ 145,037	\$ 106,422,825	1.22%	\$ 1,111
2013	106,415,000	2,971,000	-	109,386,000	268,363	109,117,637	1.37%	\$ 1,280
2012	69,920,000	937,147	-	70,857,147	459,389	70,397,758	0.92%	\$ 848
2011	56,500,000	231,332	-	56,731,332	893,245	55,838,087	0.74%	\$ 688
2010	59,075,000	242,112	-	59,317,112	947,320	58,369,792	0.77%	\$ 739
2009	57,485,000	116,078	2,575,000	60,176,078	1,034,692	59,141,386	0.79%	\$ 772
2008	49,240,000	17,398	2,805,000	52,062,398	495,162	51,567,236	0.71%	\$ 698
2007	18,835,000	-	3,025,000	21,860,000	1,256,197	20,603,803	0.31%	\$ 291
2006	7,370,000	310,000	3,235,000	10,915,000	1,717,637	9,197,363	0.15%	\$ 139
2005	7,970,000	610,000	3,440,000	12,020,000	1,897,451	10,122,549	0.19%	\$ 168

Source Rockwall County financial records

Notes: a - Details regarding the County's outstanding debt can be found in the notes to the financial statements.

b - See Table 5 for property value data.

c - See Table 13 for population data.

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ROCKWALL COUNTY, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2014
(Unaudited)

Taxing Jurisdiction	Total Bonded Debt	Percentage of Debt Applicable to County	Subtotals
<u>Direct Debt</u>			
Rockwall County	\$ 106,567,862	100.00%	\$ 106,567,862
Total direct debt	<u>106,567,862</u>		<u>106,567,862</u>
<u>Overlapping Debt:</u>			
Cities			
Dallas, City of	1,547,227,904	0.10%	1,547,228
Fate, City of	6,430,000	100.00%	6,430,000
Heath, City of	40,111,755	100.00%	40,111,755
Rockwall, City of	152,468,483	100.00%	152,468,483
Rowlett, City of	74,499,525	14.77%	11,003,580
Royse City, City of	22,014,713	72.48%	15,956,264
Wylie, City of	<u>103,015,000</u>	1.61%	<u>1,658,542</u>
Total Cities	1,945,767,380		229,175,851
School Districts			
Rockwall ISD	337,278,257	99.40%	335,254,587
Royse City ISD	<u>104,123,016</u>	70.00%	<u>72,886,111</u>
Total School Districts	441,401,273		408,140,699
Other Districts			
Rockwall Co Cons MUD	13,550,000	100.00%	13,550,000
Veranduh MUD	6,220,000	1.08%	67,176
Total Other Districts	<u>19,770,000</u>		<u>13,617,176</u>
Total indirect debt	<u>2,406,938,653</u>		<u>650,933,726</u>
Total direct and overlapping debt	<u>\$ 2,513,506,515</u>		<u>\$ 757,501,588</u>

Source: Overlapping debt was obtained on the Municipal Advisory Council website (www.mactexas.com)

Note: The Percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the taxing entity's taxable value that is within the County's boundaries and dividing it by the taxing entity's total taxable assessed value.

ROCKWALL COUNTY, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
Assessed value of real property	\$ 8,755,410,747	\$ 7,943,421,520	\$ 7,682,738,115	\$ 7,592,702,385
Debt limit rate	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Debt limit	<u>2,188,852,687</u>	<u>1,985,855,380</u>	<u>1,920,684,529</u>	<u>1,898,175,596</u>
Debt applicable to limit:				
Total bonded debt	106,567,865	109,386,008	70,857,147	56,731,332
Less: amount set aside for repayment	<u>(1,262,908)</u>	<u>(1,897,450)</u>	<u>(1,256,197)</u>	<u>(495,162)</u>
Total net debt applicable to limit	<u>105,304,957</u>	<u>107,488,558</u>	<u>69,600,950</u>	<u>56,236,170</u>
Legal debt margin	<u>\$ 2,083,547,730</u>	<u>\$ 1,878,366,822</u>	<u>\$ 1,851,083,579</u>	<u>\$ 1,841,939,426</u>
Total net debt applicable to the limit as a percentage of debt limit	4.81%	5.41%	3.62%	2.96%

Source: Rockwall County financial records

Under Legislative provision, any county, any political subdivision of a county, any number of adjoining counties, or any political subdivision of the state, or any defined district now or hereafter to be described and defined within the State of Texas, and which may or may not include towns, villages, or municipal corporations, upon a vote of two-thirds majority of the resident property taxpayers voting thereon who are qualified electors of such district or territory to be affected thereby, in addition to all other debts, any issue bonds or otherwise lend its credit in any amount not to exceed one-fourth of the assessed valuation of the real property of such district or territory, except that the total bonded indebtedness of any city or town shall never exceed the limits imposed by other provisions of this Constitution, and levy and collect taxes to pay the interest thereon and provide a sinking fund for the redemption thereof.

TABLE 12

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ 7,556,697,807	\$ 7,470,810,083	\$ 7,259,225,285	\$ 6,693,323,474	\$ 6,045,714,194	\$ 5,248,046,177
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
<u>1,889,174,452</u>	<u>1,867,702,521</u>	<u>1,814,806,321</u>	<u>1,673,330,869</u>	<u>1,511,428,549</u>	<u>1,312,011,544</u>
59,317,112	60,176,078	52,062,398	21,860,000	10,915,000	12,020,000
(1,034,692)	(947,320)	(893,245)	(459,389)	(268,363)	(145,037)
<u>58,282,420</u>	<u>59,228,758</u>	<u>51,169,153</u>	<u>21,400,611</u>	<u>10,646,637</u>	<u>11,874,963</u>
<u>\$ 1,830,892,032</u>	<u>\$ 1,808,473,763</u>	<u>\$ 1,763,637,168</u>	<u>\$ 1,651,930,258</u>	<u>\$ 1,500,781,912</u>	<u>\$ 1,300,136,581</u>
3.09%	3.17%	2.82%	1.28%	0.70%	0.91%

ROCKWALL COUNTY, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

(Unaudited)

Calendar Year	County					State of Texas	United States
	Estimated Population ^a	Personal Income (thousands of dollars) ^a	Per Capita Personal Income ^a	School Enrollment ^b	Unemployment Rate ^c	Per Capita Personal Income ^a	Per Capita Personal Income ^a
2014	95,829	N/A	N/A	19,641	4.5%	N/A	N/A
2013	85,245	4,550,265	53,379	19,391	5.8%	N/A	N/A
2012	83,028	4,404,435	53,048	18,983	6.3%	42,638	43,735
2011	81,184	4,063,636	50,055	18,628	7.2%	40,147	41,560
2010	78,987	3,754,932	47,539	18,293	7.4%	37,706	39,945
2009	76,654	3,537,248	46,146	17,820	7.1%	38,546	39,626
2008	73,929	3,456,409	46,753	17,208	4.6%	37,774	40,208
2007	70,851	3,089,832	43,610	16,312	3.9%	37,187	38,611
2006	66,117	2,761,662	41,769	14,834	4.4%	35,058	36,629
2005	60,349	2,378,323	39,409	13,474	4.7%	33,160	34,685

Sources:

- a - Texas Workforce Commission , U. S Census Bureau, Bureau of Economic Analysis
- b - Texas Education Agency
- c - U. S. Department of Commerce, Bureau of Economic Analysis

Certain data above was left blank as the information was not available to Rockwall County at the time.

TABLE 14

ROCKWALL COUNTY, TEXAS

PRINCIPAL EMPLOYERS

SEPTEMBER 30, 2014

(Unaudited)

Employer	Nature of Business	2014	
		Employees	Percentage of Total County Employment ^a
Rockwall ISD	School District	1,365	6.53%
Lake Pointe Medical Center	Health Care Industry	700	3.35%
Texas Health Presbyterian Hospital	Health Care Industry	592	2.83%
Wal-Mart Superstore	Department Store/Grocery	450	2.15%
Texas Star Express/Epes Transport	Logistics	300	1.44%
County of Rockwall	County Government	253	1.21%
City of Rockwall	City Government	205	0.98%
Special Products & Manufacturing	Precision Sheet Metal	205	0.98%
Target	Department Store	200	0.96%
Rockwall Nursing Home	Nursing Home Facility	160	0.77%
Bimbo Bakeries	Food Processing	140	0.67%
Kohl's Department Store	Department Store	140	0.67%
Home Depot	Building/Hardware Store	130	0.62%
L-3 Communications	Engineering SVS/Software Dev.	110	0.53%
Col-Met Spray Booths	Automotive Spray Booths	100	0.48%
Lowe's	Building/Hardware Store	100	0.48%
Kroger	Grocery Store	100	0.48%
Bodin Concrete Company	Concrete	95	0.45%
Graphics Microsystems/AVT, Inc.	Control Systems for Printing	90	0.43%
Graham Packaging PET Technologies	Plastic	90	0.43%
Total		<u>5,525</u>	<u>26.43%</u>

Source: Rockwall Economic Development

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ROCKWALL COUNTY, TEXAS

FULLTIME EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

(Unaudited)

Function/Program	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General government										
Elected/Appointed officials	10	10	10	10	10	10	10	10	10	10
Clerical	30	30	32	29	29	29	29	26	26	28
Building maintenance	5	4	4	6	6	6	5	5	5	5
Environmental	2	2	2	2	2	2	2	2	2	3
Library	10	10	10	12	12	12	11	6	5	5
County Agent	2	2	2	2	2	2	2	2	2	2
IT	6	6	6	6	6	6	5	4	4	4
Elections	3	3	3	3	3	3	3	3	2	2
HR	2	2	2	2	2	2	-	-	-	-
Judicial										
Judges/justices of the peace	7	7	5	5	4	4	4	4	4	4
Criminal District Attorney	1	1	1	1	1	1	1	1	1	1
Assistant prosecutors	12	12	12	8	8	8	8	7	7	7
Investigators	2	2	2	1	1	1	1	1	1	1
Clerical	34	34	32	27	27	27	27	26	26	26
Bailiffs	3	3	3	3	2	2	2	2	2	2
Court Reporters	3	3	3	3	2	2	2	2	2	2
Public safety										
County sheriff	1	1	1	1	1	1	1	1	1	1
Constables	4	4	2	2	2	2	2	2	2	2
Patrol/CID	35	39	38	39	40	42	42	34	28	28
Jailers	61	61	61	56	52	52	52	54	54	51
Administration	14	14	14	13	13	13	13	13	13	13
Juvenile probation	8	8	8	9	9	8	9	10	8	10
Communications	10	9	9	9	8	8	8	8	8	8
Health and welfare										
Indigent health care	2	2	2	2	2	2	2	2	-	-
Road and bridges										
Road employees	<u>9</u>	<u>9</u>	<u>9</u>	<u>10</u>	<u>10</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>
Total	<u>276</u>	<u>278</u>	<u>273</u>	<u>261</u>	<u>254</u>	<u>256</u>	<u>252</u>	<u>236</u>	<u>224</u>	<u>226</u>

Source: Rockwall County Treasurer

ROCKWALL COUNTY, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(Unaudited)

Function/Program	Fiscal Year			
	2014	2013	2012	2011
General Government				
Auditor's office				
Accounts payable checks issued	5,069	5,003	5,264	5,499
Treasurer's office				
Payroll checks issued	4,809	3,767	3,505	3,162
Cash receipts issued	819	819	882	785
County clerk	3,973	3,099	2,630	2,470
Marriage licenses issued including informal marriage				
Birth certificates issued	1,424	1,399	1,367	1,322
Death certificates issued	2,523	2,317	2,494	2,018
Beer, wine and liquor permits	700	723	643	576
Tax office				
Title transactions	25	18	21	15
Registration transactions	21,352	20,361	18,628	15,648
Elections administration				
Number of registered voters	51,789	49,239	48,550	45,940
Judicial				
District court				
Civil cases filed	1,734	1,706	1,711	1,759
Civil cases disposed	1,746	1,784	1,765	1,864
Criminal cases filed	797	839	942	785
Criminal cases disposed	767	865	941	886
Juvenile cases filed	19	33	30	39
Juvenile cases disposed	19	32	46	46
County court				
Civil cases filed	520	484	587	556
Civil cases disposed	542	505	516	558
Criminal cases filed	1,973	1,801	2,211	2,124
Criminal cases disposed	2,082	2,094	2,222	1,972
Justices of the peace				
Civil cases filed	803	857	927	692
Civil cases disposed	7,996	8,375	6,769	4,251
Criminal cases filed	7,846	8,557	5,725	4,695
Criminal cases disposed	7,846	8,557	5,725	4,695

Source: Various County Departments

Notes: Miles of roadway are estimated.

TABLE 16

Fiscal Year					
2010	2009	2008	2007	2006	2005
5,509	5,672	8,141	7,824	N/A	N/A
2,645	2,196	N/A	N/A	N/A	N/A
940	940	981	914	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
1,264	1,306	1,278	1,440	1,400	1,489
1,845	1,969	1,643	1,017	987	1,063
578	533	493	485	725	893
16	22	60	10	N/A	N/A
13,417	12,807	12,187	11,228	10,799	10,565
45,919	44,576	45,540	36,999	40,137	37,987
2012	2003	1744	1748	1562	1532
2068	1861	1676	1736	1533	1448
886	895	783	967	892	762
884	829	896	1050	842	756
38	50	70	68	60	72
38	58	60	66	67	55
289	295	302	259	231	242
149					
1,257	1,752	1,572	2,594	2,499	2,050
598	N/A	N/A	N/A	N/A	N/A
664	863	832	622	466	387
9,200	10,678	10,694	11,220	15,679	11,638
9,410	10,254	10,006	11,941	14,253	10,414
9,410	10,254	10,006	11,941	14,253	10,414

ROCKWALL COUNTY, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(Unaudited)

Function/Program	Fiscal Year			
	2014	2013	2012	2011
Public Safety				
County jail				
Detention officers	61	61	61	56
Total persons jailed	5,020	4,691	5,964	4,079
Average prisoner days	21	23	19	19
Cost per prisoner day	\$ 87.16	\$ 85.80	\$ 87.81	\$ 69.79
County sheriff				
Administration officers	3	3	3	3
Patrol officers	20	20	20	20
Detectives	4	4	4	4
Arrests - RCSO	954	831	969	N/A
Communications				
911 calls	14,381	16,484	N/A	N/A
Calls for service	7,103	9,974	9,641	9,749
RCSO vehicles				
Vehicles in fleet	38	40	40	39
Miles driven	800,000	800,000	800,000	780,000
Average miles per vehicle	20,000	20,000	20,000	20,000
Gasoline used (gallons)	40,684	48,839	51,664	50,001
Health and welfare				
Number of pauper burial/cremation	6	3	4	5
Indigent health care				
Applications approved for assistance	23	29	58	34
Texas AgriLife Extension Service				
Number of educational presentations	27	30	30	58
Number of participants in educational presentations	1,656	1,511	2,114	2,102
Roads and highways				
Miles of roadways chip sealed	7	10	3	7
Miles of roadways reconstructed	2.5	2.3	2.5	2.75
Miles of roadways overlaid	2,015	8,030	11,054	9,405

Source: Various County Departments

Notes: Miles of roadway are estimated.

TABLE 16

Fiscal Year					
2010	2009	2008	2007	2006	2005
52	52	52	54	54	51
4,368	4,439	3,714	4,817	5,596	5,010
19	21	22	18	17	20
\$ 66.38	\$ 70.90	\$ 71.23	\$ 53.97	\$ 48.10	\$ 48.52
3	N/A	N/A	N/A	N/A	N/A
20	N/A	N/A	N/A	N/A	N/A
4	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
39	N/A	N/A	N/A	N/A	N/A
780,000	N/A	N/A	N/A	N/A	N/A
20,000	N/A	N/A	N/A	N/A	N/A
50,904	N/A	N/A	N/A	N/A	N/A
5	3	2	2	5	2
52	45	62	52	53	39
29	38	35	29	40	47
1,798	1,858	2,332	1,398	2,175	2,109
15	1.0	10.0	8.0	5.0	N/A
2	0.5	1.0	2.25	2.0	N/A
7,207	9,300	4,670	7,710	2,240	N/A

ROCKWALL COUNTY, TEXAS

CAPITAL ASSETS AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS (Unaudited)

Function/Program	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General government										
Courthouse	2	2	2	2	1	1	1	1	1	1
Touchscreen voting machines	67	67	67	67	50	50	50	40	33	-
Security scan systems	2	2	2	2	1	1	1	1	1	1
Public safety										
Justice center	1	1	1	1	1	1	1	1	1	1
Sheriff's vehicles	49	46	51	49	44	46	37	34	35	32
Emergency management										
Mobile command center	1	1	1	1	-	-	-	-	-	-
Emergency operations center	1	1	1	1	-	-	-	-	-	-
Roads and highways										
County maintenance facilities	1	1	1	1	1	1	1	1	1	1
Miles of road	97	97	103	107	103	103	102	89	91	91
Bridges	2	2	2	2	2	2	2	2	2	2

Sources:

County Auditor - Capital Asset Listing
 Sheriff's Office
 Road and Bridge Department