# Comprehensive Annual Financial Report

Year Ended September 30, 2009

City of Round Rock, Texas



# CITY OF ROUND ROCK, TEXAS COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED SEPTEMBER 30, 2009

# **ELECTED OFFICIALS**

Alan McGraw, Mayor
Joe Clifford, Mayor Pro-tem
Rufus Honeycutt, Council Member
George White, Council Member
Carlos T. Salinas, Council Member
John Moman, Council Member
Kris Whitfield, Council Member

# MANAGEMENT STAFF

James R. Nuse, City Manager
David Kautz, Assistant City Manager/Chief Financial Officer

# **OFFICIAL ISSUING REPORT**

David Kautz, Assistant City Manager/Chief Financial Officer



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INTRODUCTORY SECTION





March 15, 2010

Honorable Mayor and Members of the City Council City of Round Rock, Texas

The Comprehensive Annual Financial Report of the City of Round Rock, Texas for the fiscal year ended September 30, 2009, is submitted herewith. The City's Finance Department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The City Charter requires an annual audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants selected by the City Council.

Brockway, Gersbach, Franklin & Niemeier, P.C., Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Round Rock's financial statements for the year ended September 30, 2009. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) can be found immediately following the report of the independent auditors. The MD&A is a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Mayor Alan McGraw

Mayor Pro-tem Joe Clifford

### Councilmembers

Rufus Honeycutt George White Carlos T. Salinas Scott Rhode Kris Whitfield

City Manager James R. Nuse, P.E.

City Attorney Stephan L. Sheets

### City of Round Rock Profile

The City of Round Rock, Texas, established in 1851, is a municipal corporation incorporated under <u>Article XI, Section 5</u> of the <u>Constitution of the State of Texas (Home Rule Amendment)</u>. The City operates under a Council-Manager form of government with six council members and a mayor. The City Manager is appointed by the City Council and is responsible to them for managing and administering all City affairs.

The Assistant City Manager/Chief Financial Officer and the Finance Director are appointed by the City Manager. The Finance Director is responsible for supervising the operations of the Finance Department. This Department maintains all accounting records of the City.

The financial reporting entity (the government) includes all the funds of the primary government (the City of Round Rock as legally defined) as well as its component unit. Component units are legally separate entities for which the primary government is financially accountable. The City provides a full range of services, which includes police and fire protection, parks and library, construction and maintenance of infrastructure, planning and community development, convention and tourism activities and general administrative services. In addition, the City owns and operates a waterworks and sewer utility system. These activities are included in the accompanying financial statements.

Blended component units, although legally separate entities, are in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, Round Rock Transportation System Development Corporation revenues are reported in a special revenue fund of the City while capital improvements are reported in a capital project fund of the City.

Annual budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Fund and the Proprietary Funds. Capital Projects Funds have no binding annual budget. Project-length financial plans are adopted for all capital projects; accordingly, no comparison of budget to actual is presented in the financial statements.

Budgetary control is maintained at the department level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of balances are not released until additional appropriations are made available. The City had no material encumbrances as of September 30, 2009.

### Significant Local Economic Events

Despite the current economy nationwide, indicators show that the regional economy remains relatively healthy and Round Rock remains fairly strong in population growth and stable in its economic activity. In fact, in June 2009, Forbes.com ranked the Austin-Round Rock area as the best place to ride out the recession, citing lower than national average unemployment rates as well as housing affordability as key factors. In 2009, BusinessWeek.com rated the Austin-Round Rock area as the second among the forty strongest U.S. Metro economies, noting job growth and gross metro product as reasons for the ranking.

As indicated in the body of this report, the City's financial condition remains healthy and has continued to improve year after year. The City's strong financial position is a result of prudent fiscal management as well as growth in the local economy experienced over the past several years. It is important to keep in mind the fact that Round Rock is located within Williamson County, which is one of the fastest growing counties in the State. Since 1990, Williamson County has soared 187% to 400,774, and the City of Round Rock has grown 6.2% on an average annual basis, thus making Round Rock one of the fastest growing cities in Texas. The Austin-Round Rock Metropolitan Statistical Area (MSA) has more than doubled in population to 1.6 million since 1990. As of the end of fiscal year 2009, Round Rock's population was estimated at 99,500.

Clearly, this kind of growth sets the stage for not only economic opportunities like job creation and sales tax generation, but also increased demands for City services and infrastructure. Many of the issues Round Rock faces continue to be *regional* issues such as population growth, traffic concerns, road construction and water/wastewater availability, as such, Round Rock makes efforts to address these issues both at the local and regional level. To adequately prepare for the effect of this activity on the City, much effort goes into planning and funding infrastructure and service programs. Strategic planning, biennial budgeting and multi-year capital improvement project programming have become important tools in planning for the financial impact of a fast-growing community.

In 1998, Round Rock entered the ranks of the 20 largest sales tax producing cities in Texas. In 2000, the City led the state's largest cities in sales tax growth, a strong indicator of the vibrant economic activity present in the region over the past several years. As with the national economy, this activity has slowed down somewhat.

General fund sales tax receipts for fiscal year 2009 were approximately \$45.8 million. This figure represents a decrease of 10.5% compared to the prior year. Over the past 5 years though, sales tax has increased 25.4% or an average growth rate of 4.66% per year. The sales tax revenue category produced 56% of the total revenue available to the City's general fund for this year, while the property tax levy produced 21.5%. The sales tax as a revenue figure is subject to economic cycles and discretionary buying characteristics of the consumer and, accordingly, must be monitored and projected carefully. This is especially important now due to reduced sales tax performance.

This past year, Round Rock has seen continued growth even with the slowing national building trend. Modest growth in building activity is expected, fueled by continued in-migration to the community. Recent downturns in the economy though, have reduced employment demand for specific sectors. In fact, Dell Computer has recently reduced its local work force but continues to be the region's largest employer. In spite of job reductions, the current unemployment rate for the City is 6.4%, and remains lower than the Austin metro and statewide rates of 6.6% and 8.2%, respectively.

The continuing efforts to attract and retain retail operations have helped ensure economic diversity for Round Rock. These include destination retail hubs such as the Round Rock Premium Outlets, which provides over 430,000 square feet of retail space containing 125 stores in an outdoor village setting and a movie theater.

Additional retail centers are located throughout the city providing a diverse shopping experience. These centers include University Oaks featuring Swedish furniture maker IKEA, JC Penney and REI; La Frontera anchored by Lowes, Old Navy and Petsmart; Hester's Crossing with Gold's Gym and GNC; Greenlawn Crossing with HEB; and, The Boardwalk with Walmart and Home Depot.

Round Rock has emerged as a hub for health education with the influx of new and expanding hospitals and medical education facilities. This is illustrated by the following examples.

St. David's Round Rock Medical Center, originally constructed in 1983, has an inpatient capacity of 177 beds providing comprehensive health services to residents of Williamson and surrounding counties. Services include The Health and Vascular Center, The Women's Center and a comprehensive emergency room. St. David's has recently announced plans that it will seek Level II Trauma Designation, making it the only trauma center in Williamson County.

Scott & White Healthcare, a major regional health care organization, is a 68-acre health care facility with a specialty clinic that offers a wide variety of care options from birth to adulthood, as well as a 76-bed technologically advanced hospital offering heart and vascular, orthopedic, diagnostic imaging, and women's and children's services.

The Seton Family of Hospitals opened Seton Medical Center Williamson in the spring of 2008. The 365,000 square foot facility was constructed on 75 acres in north Round Rock. The facility is state-of-the-art in design, technology and delivery of complex care. The first phase of the campus includes a 181-bed hospital, ambulatory surgery center and a diagnostic and imaging center. It also includes the first of several medical office buildings. The hospital campus is planned to accommodate future expansions, and the hospital could eventually expand to 350 beds over the next 10 to 15 years.

To complement the healthcare activities, Round Rock is now home to several health education facilities. The City recognizes that a highly educated workforce is an important component of a well-rounded economic foundation. In 2005, the Round Rock Higher Education Center (RRHEC) opened in northeast Round Rock. The purpose of this facility is to make quality education and workforce training accessible to the residents of Round Rock and surrounding communities. With Texas State University offering baccalaureate and graduate programs, and the Austin Community College offering general core classes, this campus will become a full-service college. A nursing school will open in 2010.

Construction continues on Texas A&M University System Health Science Center's clinical campus in Round Rock and will open this fall. The first building is expected to be about 134,000 square feet and will include both educational space and clinical facilities. The Health Science Center's new campus is expected to provide clinical training for third- and fourth-year medical students, who, for the most part, will have spent their first two years at the College Station campus of Texas A&M. It is anticipated that the students will do clinical rotations among Round Rock's three hospitals. Additionally, the Health Science Center College of Nursing is expected to enroll its first graduate level nursing students in January 2010.

In May 2008, Round Rock citizens voted to join the district of the Austin Community College (ACC). The campus in northeast Round Rock, currently under construction and scheduled to open in 2010, will offer extensions of programs currently offered at other ACC campuses. Planned curriculum offerings include nursing, radiology, sonography, medical laboratory, surgical technology and allied health programs. Once completed, the campus will cover 598,000 square feet, be able to enroll 11,000 students, and will be ACC's largest campus.

The local hotel/motel industry continues to be a particularly vibrant industry for Round Rock. In 1996, the City had 2 hotels with a total of 181 rooms. At the end of fiscal 2009, 21 hotels with 2,170 rooms were open for business maintaining solid occupancy rates. Permits have been granted on three new hotels, each anticipated to open sometime during 2010. This strong industry bodes well for the hotel occupancy tax collections that support local tourism events and debt service for the Dell Diamond/United Heritage Convention Center complex. To ensure continued development and success of Round Rock's tourism industry, the City maintains a convention and visitor's bureau (CVB) to market the City's tourism efforts as well as continue to implement the City's long-range tourism plan. With several area sports facilities in place and statewide events occurring, Round Rock is marketing its tourism brand as the "Sports Capital of Texas". Tourism is expected to become an expanded component of the City's overall economic development strategy.

In conjunction with the "Sports Capital of Texas" theme, the success of the City's AAA minor league baseball team, the Round Rock Express, continues to draw a regional fan base and national exposure for Round Rock.

In November 2001, an \$89.8 million General Obligation bond authorization for streets, public safety, parks and general improvements was passed by more than a 2-1 margin, or 70%. These capital projects will be financed and constructed over a span of 6-12 years and represent a significant upgrade and expansion of the City's infrastructure. In July of 2007, the City issued the final \$34.5 million of the authorization and the improvements are well underway. In addition, \$14.9 million in certificates of obligation were issued in 2007 for park improvements.

To continue to meet the projected service demands of existing and new customers, the water and wastewater utility faces a significant capital improvement program. The City updated its comprehensive utility rate study conducted by an independent rate consulting firm. Findings from the study indicated the water and wastewater utility to be in good financial health. However, in order to fund the capital improvement program and to meet increasing system demand, small, multi-year rate increases are projected. Even with these projected increases, Round Rock water and wastewater rates continue to be among the lowest in the region.

In August of 1997 voters of Round Rock approved an increase in the local sales and use tax rate of ½ of 1%. This increase in the sales and use tax rate went into effect January 1, 1998 and the proceeds are to be used for streets, roads, drainage and other related transportation system improvements, including the payment of maintenance expenses associated with such authorized projects. The additional revenues are not part of the operating budget but are budgeted and spent by a non-profit industrial development corporation established expressly to oversee the above purposes with the approval of the City Council. Collections for the past year exceeded \$15 million. These funds will help provide major improvements to the City's transportation system, significantly benefiting the local and regional economy.

Because traffic congestion is one of the central problems of Round Rock and the region, road projects are a high priority. Project completions over the past year have brought significant improvement to local and commuter traffic, thereby helping to protect the region's economic well being. Work was completed to widen and realign the IH 35 overpass at Hesters Crossing to help facilitate access to several major retail developments. Also completed is the major reconfiguration of the South Mays and Dell Way intersection to alleviate traffic congestion near Dell Computer and major retail areas. Many other local road projects, also funded with local and state funds, are in planning or construction phases. Total current expenditure estimates for these various projects approximate \$142 million. The local portion, \$113 million, is funded largely by the one-half percent sales tax mentioned earlier. The City's road development is closely following the Comprehensive Transportation Master Plan which developed a short-term (10 year), a long-term (20 year) and ultimate term (build-out) transportation plans to serve the community needs. These efforts, along with the development of funding sources for transportation improvements, discussed above, are indicative of the City's commitment to preserving its economic base and quality of life.

### Relevant Financial Policies

### Accounting System and Controls

It is the policy of the City to maintain a General Fund balance equivalent to at least three months of operations. Working capital in the Water/Wastewater Utility Fund is also maintained at a minimum of three months of operations. Balances in excess of the above levels are earmarked for future uses or reduced to the target levels over an appropriate length of time.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

# Long-Term Financial Planning

An underlying budgetary influence is the City's business model. Approximately 56% of the General Fund revenue is provided by the sales tax. A half-cent component of the two-cent local sales tax rate exists for the sole purpose of reducing the property tax rate. The result is a heavy reliance upon the sales tax as a revenue source for operations and reduced reliance upon the property tax. The sales tax is a less stable revenue source than the property tax but provides more discretion to the taxpayer. Because of this revenue makeup, the City tends to carry higher fund balances, estimate sales tax revenue conservatively and introduce new programs somewhat more cautiously until projected revenue levels are established. The City is also more attentive to the health of its economy because of the reliance upon commerce to produce the sales tax.

The City recognizes its reliance on sales tax revenue and continues to take measures to effectively manage this significant revenue source. A financial management policy was enacted and recently updated by the City. It is designed to reduce operational reliance on sales tax generated from Dell Computer and to redirect some of those funds for long-term capital improvement projects thus reducing the amount of debt to be issued. This long-term approach to property tax rate management will allow the City to continue to benefit from the presence of Dell in the community for years to come. In addition, the City proactively monitors legislation at both the state and federal levels that may affect the collection of sales tax.

Round Rock has taken a proactive approach to the financial planning for its future operations by developing a comprehensive 10-year operations plan. This plan identifies future service levels for the City's core functions defined as legislative and regulatory, police, fire, emergency medical response, open space and park facilities, recreation, library, urban infrastructure and water/wastewater utilities. Through this process, costs associated with maintaining a certain level of service were estimated, public input was utilized and options on how to control costs and develop revenue sources to pay for services were explored. The final result provides the City with a comprehensive tool for the City's future financial planning.

### **Prospects for the Future**

A growing population directly influences the housing industry and, ultimately, the property tax base. Although the number of housing starts is more moderate than in the past, it is important to note that Round Rock's extra-territorial jurisdiction (ETJ) contains over 9,000 acres of undeveloped property which will influence the demand for City services into the future.

The City of Round Rock is proud of its progressive and achievement-oriented history. However, the City continues to place strong emphasis on long-range planning and development so that traditional and future services for its citizens are provided at the highest level of reliability and quality. For the next fiscal year and into the near future, programs designed to effectively manage growth and stimulate economic activity will be continued.

Economic development and diversification continues to be the City's top strategic priority. The City and the Round Rock Chamber of Commerce partnered to update the City's economic development plan. In accordance with this increased strategic emphasis on economic development, the economic development agreement between the City and the Chamber of Commerce was also updated and enhanced. These funds are leveraged with the Chamber of Commerce Momentum funding to create a public/private partnership for economic development priorities. This partnership continues to yield a new, inspired approach to economic development for Round Rock.

As stated earlier, the local region and Round Rock saw rapid, unprecedented growth over the past decade. Population growth projections are expected to remain steady as the area continues show signs of continued development. Correspondingly, the City's infrastructure, streets, utility systems and service delivery must be rapidly developed to serve a growing population. For the past several years, infrastructure expansions have concentrated on water and wastewater facilities. Streets and transportation improvements will continue to be a priority in the future as the City manages the significant growth discussed above.

As we look to the future, there are several key initiatives in process now that will shape the development of Round Rock for the next decade. Significant investment in the medical industry including several state-of-the-art medical facilities expansions, combined with the impact of multiple higher education centers, will provide community development and unlimited opportunities. Not only will these initiatives shape the physical development of the City but they will also influence the knowledge base and creativity in the community.

With the City's natural commercial attractiveness, a strong economic development plan and a strengthening economy, the future of the community is bright.

### Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Round Rock, Texas for its comprehensive annual financial report for the fiscal year ended September 30, 2008. This was the twenty-third consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Round Rock also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2008. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

The presentation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the Department who assisted and contributed to its presentation. Acknowledgement is also given to Brockway, Gersbach, Franklin & Niemeier, P.C. for their valuable assistance in production of the report. We would also like to thank the Mayor and Council members for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

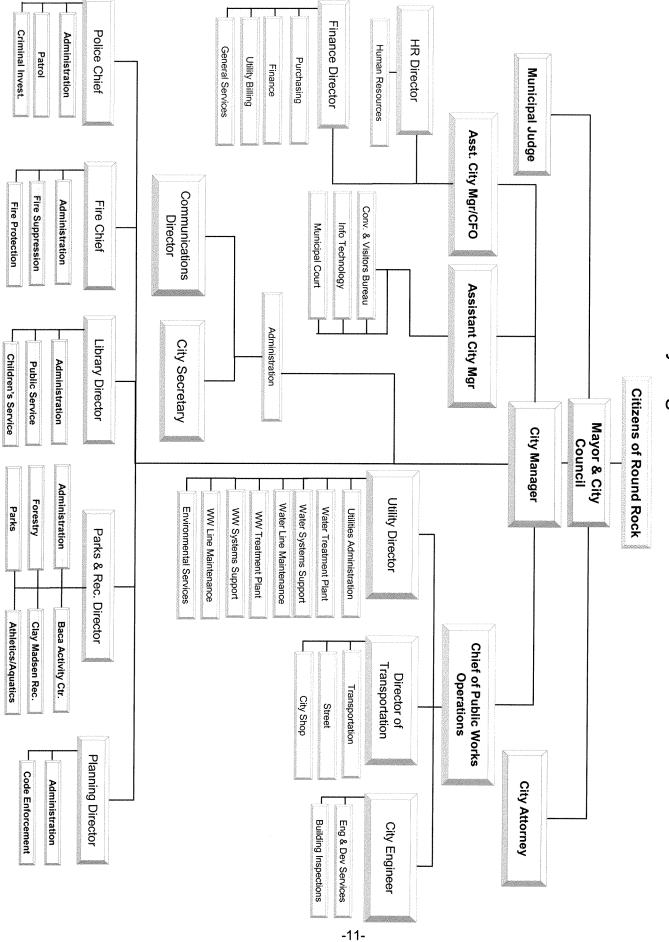
Respectfully submitted,

James R. Nuse, P.E.

City Manager

David Kautz, CGFO
Assistant City Manager/
Chief Financial Officer

# City Organization Chart





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

# City of Round Rock Texas

For its Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2008

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



President

**Executive Director** 



# FINANCIAL SECTION





### **Independent Auditors' Report**

The Honorable Mayor and City Council City of Round Rock, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the City of Round Rock, Texas as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Round Rock's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the City of Round Rock, Texas as of September 30, 2009, and the respective changes in financial position, and, where applicable cash flows, thereof and the respective budgetary comparisons for the general fund and the major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated March 15, 2010, on our consideration of the City of Round Rock's 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction in assessing the results of our audit.

Management's Discussion and Analysis on pages 19 through 31 and the Required Supplemental Information on page 98 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

# Independent Auditors' Report (Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Round Rock's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections of this report have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

March 15, 2010

Enochway, Dursbach, Franklin & Minnein, P.C.

The discussion and analysis of the City of Round Rock's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2009. It should be read in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

### Financial Highlights

- The assets of the City of Round Rock exceeded its liabilities at the close of the most recent fiscal year by \$751,318,634 (net assets). Of this amount, \$158,720,637 (unrestricted net assets) may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City's total net assets increased by \$31,146,104. Approximately 70.6 percent of this increase is a result of contributions from developers and other entities. A decrease of \$3,138,803 is due to a restatement of prior year net assets as more fully described in Note I(Q) to the financial statements.
- As of the close of the current fiscal year, the City of Round Rock's governmental funds reported combined ending fund balances of \$ 174,740,259, a decrease of \$ 15,558,692 in comparison with the prior year. The decrease in primarily the result of major progress in the City's capital projects programs. Approximately 46 percent of the total fund balance amount, \$ 80,157,985, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$39,497,430, or 51 percent of the total general fund expenditures.
- The City of Round Rock's total debt decreased by \$6,521,020 during the current fiscal year. The decrease was due to regularly scheduled debt principal retirement along with the issuance of \$3.585 million in utility system revenue bonds.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Round Rock's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Round Rock's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as 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 future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Round Rock 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-type activities*). The governmental activities of the City include general government, public safety, public works and culture and recreation. The business-type activities of the City of Round Rock include a water and sewer utility and a golf course.

**Fund financial statements**. 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. The City of Round Rock, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Round Rock maintains 22 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 general fund, debt service fund, the Round Rock Transportation System Development Corporation (RRTSDC) revenue and project funds, the self-financed construction fund and the 2007 General Obligation Bond fund, all of which are considered to be major funds. Data from the other 16 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in the report.

**Proprietary funds.** The City of Round Rock maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer utility and for its golf course. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its self-funded health insurance program. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utility and for the golf course. The water and sewer utility is considered a major fund of the City. Since the golf course fund is the only remaining enterprise fund, it is being presented as a major fund even though it does not meet the criteria of a major fund established in GASB Statement Number 34. The internal service fund is a single presentation in the proprietary fund financial statements.

**Fiduciary funds**. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Public Improvement Districts agency fund is reported in the statement of fiduciary net assets. The resources accounted for in this fund are excluded from the government-wide financial statements because these funds are not available to finance the City's operations. Consequently, the City is responsible for ensuring that these resources are used only for their intended purpose.

**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.** The combining statements referred to earlier in connection with nonmajor governmental funds and individual fund schedules are presented immediately following the notes to the financial statements.

Additional information on capital assets used in the operation of governmental funds is provided following the individual fund schedules.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Round Rock, assets exceeded liabilities by \$751,318,634 as of September 30, 2009.

The largest portion of the City's net assets (64.5%) reflects its investments in capital assets (e.g., land, buildings and improvements, improvements other than buildings, machinery and equipment and construction in progress), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (14.4%) represents resources that are subject to external restriction on how they may be utilized. The remaining balance of unrestricted net assets \$ 158,720,637 may be used to meet the City's ongoing obligations to citizens and creditors.

As of September 30, 2009 and 2008, the City was able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities.

The following table provides a comparative summary of the City's net assets as of September 30, 2009 and 2008.

## Net Assets (in 000's)

	Governmental				Busine	ss-Ty	ре						
		Acti	vities		Activities					Total			
		2009		2008		2009		2008		2009	2008		
Current and other assets	\$	205,515	\$	\$ 220,477		\$ 86,759		76,154	\$	292,274	\$	296,631	
Capital assets		465,718		441,350		229,545		227,898		695,263		669,248	
Total assets		671,233		661,827		316,304		304,052		987,537		965,879	
Long term liabilities		203,506		212,369		13,686		10,075		217,192		222,444	
Other liabilities		17,403		13,928		1,623		6,196		19,026		20,124	
Total liabilities		220,909		226,297		15,309		16,271		236,218		242,568	
Net assets:													
Invested in capital assets,													
net of related debt		266,247		232,391		217,990		219,608		484,237		451,999	
Restricted		92,790		107,804		15,571		14,377		108,361		122,181	
Unrestricted		91,287		95,335		67,434		53,796		158,721		149,131	
Total net assets	\$	450,324	\$	435,530	\$	300,995	\$	287,781	\$	751,319	\$	723,311	

# **Analysis of Changes in Net Assets**

The following table summarized the changes in the City's net assets from its activities for the fiscal year ended September 30, 2009 with comparisons to the previous year.

Changes in Net Assets (in 000's)

	Anti			ess-Type			
	Acu	vities	Act	ivities	Total		
	2009	2008	2009	2008	2009	2008	
Revenues:							
Program revenues:							
Charges for services	\$ 10,849	\$ 9,157	\$ 38,289	\$ 35,535	\$ 49,138	\$ 44,691	
Operating grants and contributions	1,064	1,098	_	-	1,064	1,098	
Capital grants and contributions	14,083	3,825	7,922	8,752	22,005	12,577	
General revenues:							
Property taxes	29,868	27,561	-	-	29,868	27,561	
Franchise taxes	6,213	5,748		-	6,213	5,748	
Sales tax	61,020	68,217	-		61,020	68,217	
Hotel occupancy tax	2,394	2,939	-	_	2,394	2,939	
Public service taxes	316	286	_	-	316	286	
Impact fees	-	-	4,568	5,216	4,568	5,216	
Investment earnings	4,113	8,220	1,306	1,618	5,419	9,838	
Miscellaneous	-	257	(11)	, -	(11)	257	
Total revenues	129,920	127,308	52,074	51,121	181,994	178,429	
Expenses:							
General government	25,047	24,097	-	-	25,047	24,097	
Public safety	37,104	33,588	-	-	37,104	33,588	
Public works	27,609	28,727	-	-	27,609	28,727	
Culture and recreation	14,434	12,674	_	-	14,434	12,674	
Interest on long-term debt	9,587	9,530	-	na.	9,587	9,530	
Water and sewer utility	_	_	36,884	32,866	36,884	32,866	
Golf course	-	-	183	186	183	186	
Total expenses	113,781	108,616	37,067	33,052	150,848	141,668	
Increases in net assets before transfers	16,139	18,692	15,007	18,069	31,146	36,761	
Transfers	1,606	2,292	(1,606)	(2,292)	, _	, -	
Increase in net assets	17,745	20,984	13,401	15,777	31,146	36,761	
Net assets - beginning	435,530	409,401	287,781	272,004	723,311	681,405	
Adjustment	(2,951)	5,145	(188)	· · ·	(3,139)	5,145	
Net assets, as restated - beginning	432,579	414,546	287,593	272,004	720,172	686,550	
Net assets - ending	\$ 450,324	\$ 435,530	\$ 300,994	\$ 287,781	\$ 751,318	\$ 723,311	

Governmental activities. Governmental activities increased the City's net assets by \$17,744,434 or 57 percent of the total growth in the net assets of the City over the prior year. Key factors for the increase are as follows:

- Developer contributions of subdivision improvements approximated \$ 9.7 million and are included in program revenues of public works, parks and recreation activities.
- Amounts received for property taxes increased from last year by 8.4 percent primarily due to reduced reliance on sales tax and increased debt service requirements on recently issued bonds. Other factors included the addition of new property, an increase in assessed valuations and continued aggressive collection efforts.
- Sales tax collections of \$ 61 million were down by 10.5 percent from last year largely due to a general economic downturn but offset somewhat by continued population growth.

Overall, general revenues, while not shown by program, are used to fund governmental program activities citywide. Of these, sales taxes are the largest single source of funds comprising 47 percent of total revenues, while property taxes make up 23 percent of total revenues.

Expenses for governmental activities for the City totaled \$113,780,937 for the year ended September 30, 2009. Significant factors include the following:

- General government costs reflect a continuing multi-year economic development agreement with Dell Computer Corp. The City and Dell have developed a revenue sharing agreement whereby Dell and the City share sales tax generated by taxable computer sales within the state. Additional costs of general government operations include primarily personnel costs and professional services.
- Public safety program costs including police and fire department activities totaled about \$ 37.1 million, or 32.6 percent of total expenses for governmental activities. Most significant are personnel costs which totaled \$ 28.6 million.
- Public works program costs totaling \$ 27.6 million reflect primarily depreciation charges on infrastructure along with the City's street maintenance and improvement programs and significant personnel costs.

**Business-type activities.** Business-type activities increased the City's net assets by \$13,401,670 or 43 percent of the total growth in the net assets of the City over the prior year. Key factors for the increase follow.

The City's water and sewer utility continues to show increases in the number of customers and operating revenues. Scheduled uses of impact fees received have allowed current rates to remain stable while still providing adequate times coverage of utility bonded debt service. Comparative data for the past two fiscal years are presented as follows:

	2009	2008
Operating revenues	\$ 37,802,909	\$ 35,060,024
Operating income	\$ 1,143,503	\$ 2,156,592
Income available for debt service	\$ 11,738,280	\$ 12,080,113
Annual debt service	\$ 568,400	\$ 153,666
Coverage	20.65	78.61

The City has updated its comprehensive utility rate study. Findings from the study indicated the water/wastewater utility to be in good financial health. However, in order to fund the capital improvement program and to meet increasing system demand and operational cost pressures, multiple-year rate increases will be necessary. This fiscal year saw a combined average 6.1% utility rate increase effective in January 2009. Even with the rate increases, Round Rock water and wastewater rates continue to be among the lowest in the region.

The rate adjustment, growth in the customer base and a large increase in consumption levels due to dry weather conditions provided strong revenue growth over the prior year.

### Financial Analysis of the Government's Funds

As noted earlier, the City of Round Rock uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

For the fiscal year ended September 30, 2009, the City's governmental funds reported combined ending fund balances of \$ 174,740,259. Approximately 46 percent of this total amount (\$ 80,157,985) constitutes unreserved fund balance and is available for spending at the City's discretion. The remainder of fund balances is reserved to indicate that it is not available for new spending because it has already been committed to 1) pay debt service (\$ 2,887,281), 2) fund authorized capital projects (\$ 91,521,069), or 3) a variety of other restricted purposes (\$ 173,924).

The general fund is the chief operating fund of the City. At the close of the current fiscal year, fund balance of the general fund reached \$39,497,430, all of which was unreserved. Unreserved fund balance represented 51.3 percent of total general fund expenditures.

The fund balance of the general fund increased by \$1,193,664 during the current fiscal year. The primary reasons for the increase mirror those highlighted in the analysis of governmental activities in the government-wide statements.

The debt service fund had a total fund balance of \$2,887,281 at the end of the fiscal year, all of which is reserved for the payment of debt service. The net scheduled decrease in fund balance during the year was minimal (\$543,782). Debt service expenditure requirements increased by \$724,088 during the fiscal year and were adequately funded by the debt service portion of the property tax.

The fund balance of the RRTSDC revenue fund was \$44,444,814, a decrease of \$5,107,691 compared to the prior year. The decrease is due to scheduled transfers out for projects funded by the sales tax collections dedicated to transportation system improvements and related maintenance and debt service costs.

The RRTSDC project fund, the self-financed construction fund and the 2007 general obligation bond fund had a combined total fund balance at year-end of \$63,731,589. The collective net decrease of \$2,448,599 occurred as a result of transfers in for scheduled project construction activity and major progress on related project expenditures.

**Proprietary funds.** The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the water and sewer utility totaled \$65,121,820 at September 30, 2009. The total growth in net assets for the utility was \$13,472,542. The unrestricted net assets represented 22.2 percent of the utility's total net assets. Other factors concerning the finances of the proprietary funds have already been addressed in the discussion of the government-wide financial statements and business-type activities.

# **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget for the general fund were a net decrease in appropriations of \$ 1.9 million or 2.2 percent. The amendments were primarily to reduce sales tax and franchise estimates by \$ 1.3 million due to slowing economy along with increased retail activity in nearby communities.

Additionally, due to departmental expenditure savings, approximately \$ 3 million was available to reallocate and fund specified capital purchases.

Overall, actual revenues and financing sources exceeded budgetary estimates and expenditures including transfers were less than budgeted amounts, thus eliminating any need to draw upon existing fund balance.

### **Capital Assets and Debt Administration**

### **Capital Assets**

The City of Round Rock's investment in capital assets for its governmental and business-type activities as of September 30, 2009, amounted to \$695,262,391 (net of accumulated depreciation). This investment includes land, buildings and improvements, improvements other than buildings (including infrastructure), machinery and equipment and construction in progress.

Major capital asset events during the year ended September 30, 2009, included the following:

- Three new fire apparatus were purchased and placed in service; two replacement pumper trucks and a replacement aerial ladder truck at a cost of \$ 1.6 million.
- Work continued on the new city hall business center complex; total cost is estimated at \$ 6 million and construction in progress had reached \$ 3.8 million at year end. Completion is expected for early 2010.
- The Old Settler's sports complex was completed and opened in early 2009; total cost was \$ 17.8 million.
- Design work began on the new Brushy Creek Trail Gap project at a total estimated cost of \$ 3 million. Completion is expected in mid 2011.
- Various park improvement projects are underway at a total estimated cost of \$1.1 million while construction in progress was \$0.6 million at year-end.
- Major arterial and road projects are underway and are in various stages of completion. Completed projects totaled \$ 38 million while construction in progress at year-end approximated \$ 13.8 million.
- Various street, sidewalk and drainage improvement projects were underway with completions totaling \$ 2.7 million and construction in progress at \$ 2.5 million at year-end.
- Developers contributed infrastructure improvements for governmental activities of \$ 9.7 million and \$ 7.9 million for water and sewer system infrastructure improvements.
- Construction of raw water delivery system improvements was completed at year-end at a total cost of \$ 15.1 million.
- Water treatment plant pump improvements were completed and placed in service in mid 2009 at a cost of \$ 1.1 million.
- Work was near completion at year-end on a water storage tank with a total estimated cost of \$ 4.6 million and construction in progress at \$ 3.7 million.
- Various major water projects are underway with completions totaling \$ 2.6 million and construction in progress at \$ 3.1 million at year-end.
- The Brushy Creek Regional Wastewater System purchase agreement was signed and \$ 2.9 million had been committed for a late 2009 closing.
- Phase 7 of the sanitary sewer evaluation and rehabilitation program was near completion at an estimated cost of \$ 2.1 million. Phase 8 preliminary engineering is underway.
- Final design work was completed on the regional water project in mid 2009. Construction of Phase 1 was begun in late 2009.

Capital Assets (in 000's)

	Governmental				Business-Type							
	Activities				Activities				Total			
	2009		2008		2009		2008		2009			2008
Land	\$	25,918	\$	23,258	\$	2,545	\$	2,545	\$	28,463	\$	25,803
Buildings and Improvements		99,637		81,316		22,506		22,506		122,143		103,822
Improvements Other Than Buildings		510,909		447,758		263,314		237,551		774,223		685,309
Machinery and Equipment		48,252		45,342		7,649		6,903		55,901		52,245
Accumulated Depreciation		(240,887)		(217,582)		(77,570)		(68,511)		(318,457)		(286,093)
Construction in Progress		21,889		61,258		11,101		26,904		32,990		88,162
Total	\$	465,718	\$	441,350	\$	229,545	\$	227,898	\$	695,263	\$	669,248

Additional information on the City of Round Rock's capital assets can be found in Note IV(E) to the financial statements.

## **Long-Term Debt**

At the end of the current fiscal year, the City of Round Rock had total debt outstanding of \$204,578,512. Of this amount, \$130,200,000 comprises debt backed by the full faith and credit of the City. The remainder of the City's debt is secured solely by specified revenue sources (i.e., revenue bonds and bank loans).

The City of Round Rock's total debt decreased by \$6,521,020 during the current fiscal year. The net decrease is due to regularly scheduled debt principal retirements of \$10,106,020 along with the issuance of \$3,585,000 in utility system revenue bonds.

Long-Term Debt (in 000's)

		nmental		ss-Type				
	Acti	vities	Acti	vities	Total			
	2009	2008	2009	2008	2009	2008		
General obligation bonds	\$ 115,725	\$ 120,060	\$ -	\$ -	\$ 115,725	\$ 120,060		
Certificates of obligation	14,475	15,300	-	-	14,475	15,300		
Hotel tax revenue bonds	8,215	8,575	-		8,215	8,575		
Sales tax revenue bonds	19,035	20,215	-	-	19,035	20,215		
State infrastructure bank loans	35,574	38,660	-	, <del>-</del>	35,574	38,660		
Water and wastewater								
revenue bonds		***	11,555	8,290	11,555	8,290		
Total	\$ 193,024	\$ 202,810	\$ 11,555	\$ 8,290	\$ 204,579	\$ 211,100		

The City of Round Rock benefits substantially in reduced interest costs resulting from recently upgraded bond ratings by Moody's Investors Service of Aa2, and Standard & Poor's of AA+.

There is no direct debt limitation in the City Charter or under state law. The City operates under a Home Rule Charter (Article XI, Section 5, Texas Constitution), approved by the voters, that limits the maximum tax rate, for all City purposes to \$ 2.50 per \$ 100 assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$ 1.50 of the \$ 2.50 maximum tax rate for general obligation debt service. Assuming the maximum tax rate for debt service of \$ 1.50 on the January 1, 2008 certified assessed valuation of \$ 8,194,467,718 at 100% collection, tax revenue of \$ 122,917,016 would be produced. This revenue could service the debt on \$ 1,468,905,352 issued as 20-year serial bonds at 5.50% (with level debt service payment). The resulting legal debt margin is \$ 1,346,393,057.

The City had authorized but unissued water and wastewater system revenue bonds totaling \$1,585,000 at September 30, 2009.

Additional information on the City's long-term debt can be found in Note IV(F) to the financial statements

### CITY OF ROUND ROCK, TEXAS MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED SEPTEMBER 30, 2009

#### **Economic Factors and Next Year's Budgets and Rates**

The development of the City's budget is guided by several factors including the City's vision and strategic goals, prevailing economic conditions and by the continuing need to provide basic and improved customer services for a growing population. The fiscal year 2009-2010 budget plan adopted by the City Council adheres to the City's financial policies and preserves the City's strong financial position while providing excellent levels of service. Two primary priorities are addressed in the budget and those are to provide sufficient funding to continue adequate core operating services and, secondly, to ensure these services meet the needs of a larger community.

Concerns over the current economy and projections for next year have presented a challenge to the City. Reduced revenue projections coupled with rising expenses in some areas have required creative cost reduction measures. In order to provide adequate core operating services in the midst of an economic slowdown, a conservative budget strategy was utilized. While we must continue to meet the needs of our day time population, commercial/industrial, retail and healthcare sectors, and a larger residential population, we also have to respond to lower sales tax revenue projections. Operating departments have proposed conservative funding requests to meet these needs. Each department has reduced their operating budget by 3% from last year's adopted budget while maintaining service levels for the City. New or expanded programs will only be considered during the fiscal year if local economic conditions will support them. The adopted budget contains no new programs.

Revenue assumptions in general for fiscal year 2009-2010 are expected to follow the growth curve of job creation, population growth, retail sales activity and housing starts. Other revenues, such as property tax revenue and sales tax revenue, are forecast using historical results or specific calculations.

The following items highlight other priorities in the City's effort to develop the general fund operating budget:

- Economic development funding:
- Fleet and equipment replacement;
- Specialized transit services.

Faced with a significant capital improvement program, increased operational cost pressures and increasing system demand, the utility budget includes a 5.8% combined rate increase effective in January 2010. The City has updated the comprehensive rate study completed in 2006. Results of this update indicate the necessity of scheduled rate increases to fund future capital improvement projects.

A water conservation and drought contingency program has been established to conserve existing water sources. In the summer of 2009, a block rate program was designed to encourage water conservation during the summer months. Over this next budget year, Round Rock will continue to expand the water conservation program, focusing on education and awareness. Conservation rates will continue to be utilized to encourage conservation.

Additionally, Round Rock in partnership with the cities of Leander and Cedar Park have created the Brushy Creek Regional Utility Authority (BCRUA) to facilitate construction and operation of a regional water facility that will provide treated water from Lake Travis to the cities. This regional approach is expected to provide significant cost savings for the construction as well as economies of scale for the ongoing operations, as one plant will be designed to serve all three communities. The first phase of this project is expected to be completed by 2012 and future financial requirements of this project are incorporated in the City's utility rate planning model.

### CITY OF ROUND ROCK, TEXAS MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED SEPTEMBER 30, 2009

The City's water and sewer utility expenditures are largely driven by the needs of a growing industrial and residential customer base as well as aging utility plants and lines. New expenditures are necessitated by the increase in water costs and additional water supply reserves. Additionally, cost increases are expected in pumping costs, materials and supplies.

The Brazos River Authority has constructed a 30 mile pipeline from Lake Stillhouse to Lake Georgetown for the benefit of the City of Round Rock and others. The Brazos River Authority owns, operates and maintains the water line. The budget includes capital and operating costs associated with this regional water line.

Like the water system mentioned above, the wastewater system costs are reflective of expansions required to meet the needs of a larger, growing population. Of particular significance, the wastewater treatment plant budget reflects a continuation of facilities construction and operation by the Lower Colorado River Authority/Brazos River Authority Alliance. The Alliance operates and expands the plants as necessary to accommodate a regional treatment concept, which currently includes the cities of Round Rock, Austin, and Cedar Park. The Fern Bluff and Brushy Creek Municipal Utility Districts are also customers of this regional system.

The Lower Colorado River Authority (LCRA), Round Rock, Austin, and Cedar Park signed a memorandum of understanding that will lead to the sale of the Brushy Creek Regional Wastewater System to these cities. The memorandum of understanding calls for these cities to pay off all debt related to the system and the costs of related financial transactions.

Maintaining and rehabilitating the City's wastewater lines in compliance with Texas Commission on Environmental Quality (TCEQ) Edwards Aquifer Regulations continues to be the responsibility of the City. This budget includes costs anticipated to meet these standards.

#### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance, City of Round Rock, 221 East Main Street, Round Rock, Texas 78664.



**BASIC FINANCIAL STATEMENTS** 

#### CITY OF ROUND ROCK, TEXAS STATEMENT OF NET ASSETS SEPTEMBER 30, 2009

	Ge	overnmental Activities	В	usiness-Type Activities		Total
<u>ASSETS</u>			**************		<del></del>	
Cash and cash equivalents	\$	38,821,393	\$	19,914,511	\$	58,735,904
Investments		62,245,861		35,168,758		97,414,619
Receivables (net of allowances for uncollectibles)-						
Property taxes, including						
interest and penalties		372,376		-		372,376
Accounts & other		4,884,249		12,938,225		17,822,474
Loans		2,473,714		-		2,473,714
Accrued interest		832,214		322,344		1,154,558
Internal balances		(1,228,350)		1,228,350		-
Assessments		725,659		-		725,659
Intergovernmental		333,968		36,050		370,018
Inventories		91,940		338,818		430,758
Other current assets		303,573		757,275		1,060,848
Restricted assets -						
Cash and cash equivalents		72,639,329		14,318,466		86,957,795
Investments		16,088,741		-		16,088,741
Property taxes receivable		305,429		-		305,429
Accounts and other		1,107,452		1,396,168		2,503,620
Accrued interest		96,703		-		96,703
Investment in joint venture		-		340,089		340,089
Deferred charges, net		5,420,836		-		5,420,836
Capital assets -						
Land and construction in progress		47,806,835		13,645,811		61,452,646
Capital assets, net of accumulated depreciation	<u></u>	417,910,546		215,899,199		633,809,745
Total assets	****	671,232,468	····	316,304,064		987,536,532

The accompanying notes are an integral part of this financial statement.

(Continued)

#### CITY OF ROUND ROCK, TEXAS STATEMENT OF NET ASSETS (CONTINUED) SEPTEMBER 30, 2009

	Governmental Activities		E	Business-Type Activities		Total
<b>LIABILITIES</b>	-					
Accounts payable	\$	11,901,147	\$	1,540,000	\$	13,441,147
Accrued payroll		2,263,851		114,673		2,378,524
Unearned revenue		1,619,403		-		1,619,403
Accrued interest payable		1,618,701		49,944		1,668,645
Noncurrent liabilities:						
Due within one year		14,160,512		802,310		14,962,822
Due in more than one year	-	189,345,191		12,802,166	***************************************	202,147,357
Total liabilities	***************************************	220,908,805	***************************************	15,309,093		236,217,898
NET ASSETS						
Invested in capital assets, net of related debt		266,247,218		217,990,010		484,237,228
Temporarily restricted for:						
Debt service		1,268,581		18,286		1,286,867
Capital projects		91,521,069		15,552,833		107,073,902
Unrestricted		91,286,795		67,433,842		158,720,637
Total net assets	\$	450,323,663	_\$	300,994,971	\$	751,318,634

#### CITY OF ROUND ROCK, TEXAS STATEMENT OF ACTIVITIES YEAR ENDED SEPTEMBER 30, 2009

			Program Revenues					
					Operating		Capital	
				Charges for		Grants and	Grants and	
Functions/Programs		Expenses		Services	(	Contributions	Contributions	
Governmental activities:			***************************************		-			
General government	\$	25,046,973	\$	3,820,455	\$	614,918	\$	93,127
Public safety		37,104,418		3,646,892		446,882		93,090
Public works		27,608,721		877,676		_		6,932,220
Culture and recreation		14,433,602		2,503,925		2,611		6,964,626
Interest on long-term debt		9,587,223		<u>.</u>				-
Total governmental activities		113,780,937		10,848,948		1,064,411		14,083,063
Business-type activities:								
Water and sewer utility		36,884,365		37,802,909		-		7,922,361
Golf course		182,521		485,972		-		_
Total business-type activities		37,066,886		38,288,881		-		7,922,361
Total primary government	_\$_	150,847,823	\$	49,137,829	\$	1,064,411	\$	22,005,424

Net (Expense) Revenue and Changes in Net Assets

Functions/Programs	Governmental Activities	Business-Type Activities	Total
Governmental activities:	Activities	Activities	Total
General government	\$ (20,518,473)	\$ -	\$ (20,518,473)
Public safety	(32,917,554)	ψ - -	(32,917,554)
Public works	(19,798,825)		(19,798,825)
Culture and recreation	(4,962,440)	_	(4,962,440)
Interest on long-term debt	(9,587,223)		(9,587,223)
Total governmental activities	(87,784,515)	_	(87,784,515)
Business-type activities:			
Water and sewer utility	-	8,840,905	8,840,905
Golf course	_	303,451	303,451
Total business-type activities		9,144,356	9,144,356
Total primary government	(87,784,515)	9,144,356	(78,640,159)
General revenues:			
Taxes:			
Property taxes, levied for general purpose	17,791,347	-	17,791,347
Property taxes, levied for debt service	12,076,418	-	12,076,418
Franchise taxes	6,213,263	-	6,213,263
Sales tax	61,019,506	-	61,019,506
Hotel occupancy tax	2,394,145	-	2,394,145
Public service taxes	315,739	-	315,739
Impact fees	-	4,568,130	4,568,130
Unrestricted investment earnings	4,112,703	1,305,841	5,418,544
Loss on joint venture	-	(10,829)	(10,829)
Transfers	1,605,828	(1,605,828)	
Total general revenues and transfers	105,528,949	4,257,314	109,786,263
Change in net assets	17,744,434	13,401,670	31,146,104
Net assets as restated-beginning	432,579,229	287,593,301	720,172,530
Net assets-ending	\$ 450,323,663	\$ 300,994,971	\$ 751,318,634

#### CITY OF ROUND ROCK, TEXAS GOVERNMENTAL FUNDS BALANCE SHEET SEPTEMBER 30, 2009

		Debt	Γ	Round Rock 'ransportation System Development
	General	Service		Corporation
<u>ASSETS</u>	Fund	Fund		Revenue Fund
Cash and cash equivalents	\$ 9,893,118	\$ -	\$	_
Investments	58,214,925	-		-
Receivables (net of allowances for uncollectibles) -				
Property taxes, including interest and penalties	372,376	_		-
Accounts and other	4,211,788	-		-
Loans	-	-		-
Accrued interest	622,293	-		-
Interfund receivables	158,712	36,767		-
Assessments	-			-
Intergovernmental	186,023	-		-
Inventories	91,940	-		-
Other current assets	216,073	-		-
Restricted assets -				
Cash and cash equivalents	-	2,989,523		27,527,310
Investments	-	-		16,088,741
Receivables -				
Property taxes, including interest and penalties	-	305,429		
Sales tax	_	-		1,107,452
Accrued interest	 -	 _		96,703
Total assets	\$ 73,967,248	\$ 3,331,719		44,820,206
LIABILITIES AND FUND BALANCES				
Liabilities-				
Accounts payable	\$ 6,309,811	\$ -	\$	375,392
Accrued payroll	2,257,477	-		-
Interfund payables	25,573,207	158,712		-
Deferred revenue	 329,323	 285,726		
Total liabilities	 34,469,818	 444,438		375,392
Fund balances -				
Reserved for debt service	<del></del>	2,887,281		-
Reserved for authorized construction	_	-		44,444,814
Reserved for federal seizure	-	-		-
Unreserved, reported in-				
General fund	39,497,430			-
Special revenue funds	· -	-		-
Capital projects funds	 <del>-</del>	 		-
Total fund balances	39,497,430	2,887,281		44,444,814
Total liabilities and fund balances	\$ 73,967,248	\$ 3,331,719	\$	44,820,206

	ransportation								
*	System				2007				
Γ	Development		Self-	General			Other		Total
	Corporation		Financed		Obligation	(	Governmental	(	Governmental
	Project Fund	(	Construction		Bonds Fund		Funds		Funds
\$	5,745,823	\$	4,970,332	\$	-	\$	9,642,360	\$	30,251,633
	-		2,015,468		-		1,007,734		61,238,127
	-		-		-		-		372,376
	-		169,206		-		503,255		4,884,249
	1,616,552		857,162		-		-		2,473,714
	-		97		-		197,545		819,935
	-		24,664,578		-		-		24,860,057
	-				-		725,659		725,659
			147,945		-		-		333,968
	-		-		-		-		91,940
	-		-		-		_		216,073
					27 150 427		14064070		<b>70</b> (20 22)
	-		-		27,158,426		14,964,070		72,639,329
	-		<del>-</del>		-		-		16,088,741
	_		_						205 420
	_				-		-		305,429 1,107,452
	_		_		_		_		96,703
\$	7,362,375	\$	32,824,788	\$	27,158,426	\$	27,040,623	\$	
	1,002,010		32,021,700		27,130,420	<u> </u>	27,040,023	Φ	216,505,385
\$	1,608,740	\$	1,824,252	\$	181,008	\$	1,230,210	\$	11,529,413
	-		, , , <u>-</u>		-	•	6,374	•	2,263,851
	-		-		-		5,491		25,737,410
	-		-		-		1,619,403		2,234,452
	1,608,740		1,824,252		181,008		2,861,478		41,765,126
						-			
	-		_		_		***		2,887,281
	5,753,635		<u>-</u>		26,977,418		14,345,202		91,521,069
	-		_		20,577,110		173,924		173,924
							1,0,727		110,724
	-		-		-		_		39,497,430
	-		_		-		8,076,456		8,076,456
			31,000,536		-		1,583,563		32,584,099
	5,753,635		31,000,536		26,977,418		24,179,145		174,740,259
\$	7,362,375	\$	32,824,788	\$	27,158,426	\$	27,040,623	\$	216,505,385

Round Rock



## CITY OF ROUND ROCK, TEXAS RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS SEPTEMBER 30, 2009

Total Fund Balances - Governmental Funds

5 174,740,259

Amounts reported for Governmental Activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 25,917,612	
Building and improvements	610,545,682	
Equipment	48,252,018	
Construction in progress	21,889,223	
Accumulated depreciation	(240,887,154)	
Total capital assets	\$ 465,717,381	465,717,381

Some revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year end. On the accrual basis, however, those revenues would be recognized, regardless of when they are collected.

Current and prior year property taxes not collected

615,049

Internal service funds are used by management to charge the costs of self-funded insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

8,954,541

Some long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. They are detailed in Note III A.

(199,703,567)

Net Assets of Governmental Activities

\$ 450,323,663

# CITY OF ROUND ROCK, TEXAS GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED SEPTEMBER 30, 2009

		General Fund		Debt Service Fund	<b>T</b>	Round Rock Transportation System Development Corporation Revenue Fund
Revenues -						
Taxes and franchise, including interest and penalties Licenses, permits and fees Charges for services Fines and forfeitures Intergovernmental	\$	70,008,333 843,220 3,757,215 1,868,574 629,025	\$	12,076,418 - - - -	\$	15,254,876 - - - -
Hotel occupancy tax Investment and other Contributions	WHAT AND A STATE OF THE STATE O	4,692,251	***************************************	69,842		551,511
Total revenues		81,798,618		12,146,260		15,806,387
Expenditures - Current - General government Public safety Public works Culture and recreation Debt service - Principal retirement		22,021,629 33,822,469 9,875,601 11,182,499		- - - - 10,942,820		- 190,000 - -
Interest and fiscal charges		-		9,290,481		-
Capital projects  Total expenditures  Excess (deficiency) of revenues		76,902,198		20,233,301		190,000
over expenditures Other financing sources (uses) - Issuance of lease Transfers in Transfers out		750,000 2,710,000 (7,162,756)		(8,087,041) - 7,543,259	W	15,616,387
Total other financing sources (uses)		(3,702,756)		7,543,259		(20,724,078)
Net change in fund balances		1,193,664		(543,782)		(5,107,691)
Fund balances as restated, October 1, 2008		38,303,766	***************************************	3,431,063		49,552,505
Fund balances, September 30, 2009	\$	39,497,430	\$	2,887,281	\$	44,444,814

٦	Round Rock Fransportation System Development Corporation Project Fund	Self- Financed Construction	Financed Obligation		Total Governmental Funds
\$	_	\$ -	\$ -	\$ -	\$ 97,339,627
	•	•	-	210,739	1,053,959
	-	-	-	•	3,757,215
	-	-	-	188,779	2,057,353
	-	170,794	-	432,775	1,232,594
			-	2,394,145	2,394,145
	2,333,535	77,591	287,396	394,387	8,406,513
	562,500	635,572	1,280	530,285	1,729,637
	2,896,035	883,957	288,676	4,151,110	117,971,043
	- - - -	- - - -	- - - -	808,700 277,132 - 631,164	22,830,329 34,099,601 10,065,601 11,813,663 10,942,820 9,290,481
	13,236,045	12,048,504	4,376,311	9,137,598	38,798,458
	13,236,045	12,048,504	4,376,311	10,854,594	137,840,953
	(10,340,010)	(11,164,547)	(4,087,635)	(6,703,484)	(19,869,910)
	14,325,000 (108,260)	755,390 8,171,463	- -	636,000 (2,584,800)	1,505,390 33,385,722 (30,579,894)
	14,216,740	8,926,853	•	(1,948,800)	4,311,218
	3,876,730	(2,237,694)	(4,087,635)	(8,652,284)	(15,558,692)
	1,876,905	33,238,230	31,065,053	32,831,429	190,298,951
\$	5,753,635	\$ 31,000,536	\$ 26,977,418	\$ 24,179,145	\$ 174,740,259

# CITY OF ROUND ROCK, TEXAS RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED SEPTEMBER 30, 2009

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances-Total Governmental Funds	\$ (15,558,692)
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.	14,605,434
The net effect of various miscellaneous transactions involving capital	
assets (i.e. sales, disposals, and donations) is to increase net assets.	9,761,765
Revenues in the statement of activities that do not provide current	
financial resources are not reported as revenues in the funds.	76,646
The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. 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.	9,311,292
Some expenses reported in the statement of activities do not require the	
use of current financial resources and, therefore, are not reported as	
expenditures in governmental funds.	(796,336)
Internal service funds are used to charge the costs of self-funded insurance to the individual funds. The net revenue of certain activities of the	
internal service fund is reported with governmental activities.	 344,325
Change in Net Assets of Governmental Activities	\$ 17,744,434

# CITY OF ROUND ROCK, TEXAS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL GENERAL FUND

#### YEAR ENDED SEPTEMBER 30, 2009

		Budgeted	l Amounts	Variance - Positive
	Actual	Original	Final	(Negative)
Revenues -				
Taxes and franchise,				
including interest and penalties	\$ 70,008,333	\$ 72,736,000	\$ 71,363,700	\$ (1,355,367)
Licenses, permits and fees	843,220	1,026,000	925,000	(81,780)
Charges for services	3,757,215	3,768,774	3,599,674	157,541
Fines and forfeitures	1,868,574	2,184,000	1,896,000	(27,426)
Intergovernmental	629,025	367,000	367,000	262,025
Investment and other	4,692,251	3,606,500	3,606,500	1,085,751
Total revenues	81,798,618	83,688,274	81,757,874	40,744
Expenditures -				
Current -				
General government	22,021,629	24,054,355	22,075,580	53,951
Public safety	33,822,469	35,013,125	33,743,701	(78,768)
Public works	9,875,601	14,266,601	9,923,226	47,625
Culture and recreation	11,182,499	11,870,533	11,183,364	865
Total expenditures	76,902,198	85,204,614	76,925,871	23,673
Excess (deficiency) of revenues				
over expenditures	4,896,420	(1,516,340)	4,832,003	64,417
Other financing sources (uses) -				
Issuance of lease	750,000	750,000	750,000	
Transfers in	2,710,000	1,690,000	2,710,000	_
Transfers out	(7,162,756)	(921,000)	(7,269,343)	106,587
Total other financing sources (uses)	(3,702,756)	1,519,000	(3,809,343)	106,587
Net change in fund balances	1,193,664	\$ 2,660	\$ 1,022,660	\$ 171,004
Fund balance as restated, October 1, 2008	38,303,766			
Fund balance, September 30, 2009	\$ 39,497,430			

### CITY OF ROUND ROCK, TEXAS SPECIAL REVENUE FUND

#### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

### ROUND ROCK TRANSPORTATION SYSTEM DEVELOPMENT CORPORATION REVENUE FUND

#### YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts				nounts	Variance - Positive		
		Actual		Original		Final		(Negative)
Revenues -								
Sales tax	\$	15,254,876	\$	16,341,667	\$	16,341,667	\$	(1,086,791)
Investment and other		551,511		1,863,000		1,863,000		(1,311,489)
Total revenues		15,806,387		18,204,667		18,204,667		(2,398,280)
Expenditures -								
Current -								
Public works		190,000		190,000		190,000		-
	***************************************							
Total expenditures	-	190,000		190,000		190,000		-
Excess of revenues		17 616 207		10.014.66		40.044.55		(2 222 222)
over expenditures	***************************************	15,616,387		18,014,667		18,014,667		(2,398,280)
Other financing uses-								
Transfers out		(20,724,078)		(21,152,000)		(21,152,000)		427,922
	***************************************			()		(=1,102,000)		127,722
Total other financing uses	-	(20,724,078)		(21,152,000)		(21,152,000)		427,922
Net change in fund balances		(5,107,691)	\$	(3,137,333)	\$	(3,137,333)	\$	(1,970,358)
Fund balance, as restated October 1, 2008		49,552,505						
Fund balance, September 30, 2009	\$	44,444,814						

#### CITY OF ROUND ROCK, TEXAS PROPRIETARY FUNDS STATEMENT OF NET ASSETS SEPTEMBER 30, 2009

	Business-Type Activities					(	Governmental			
		Enterprise Funds Water and Golf Course			-			Activities		
		Sewer Fund	Golf Course			m . 1		Internal		
<u>ASSETS</u>	***************************************	Sewel Fulld	-	Fund		Total		Service		
Current assets:										
Cash and cash equivalents	\$	19,016,231	\$	898,280	\$	19,914,511	\$	8,569,760		
Investments		35,168,758		-		35,168,758		1,007,734		
Receivables (net of allowance for uncollectibles of \$ 1,294,749) -										
Accounts		12,938,225		-		12,938,225		-		
Accrued interest		322,344		-		322,344		12,279		
Interfund		27,822		-		27,822		1,062,745		
Intergovernmental		36,050		_		36,050		-		
Inventories		338,818		-	338,818			-		
Other current assets		757,275		_		757,275		87,500		
Total current assets		68,605,523		898,280		69,503,803		10,740,018		
	***************************************			0,00,200		07,505,005		10,740,010		
Noncurrent assets:										
Restricted cash, cash equivalents,										
and investments:										
Impact fees		8,170,647		-		8,170,647		-		
Construction		4,845,370		-		4,845,370		-		
Customer deposits		1,284,163		***		1,284,163		-		
Revenue bond covenant accounts		18,286		-		18,286		-		
Restricted accounts and accrued interest receivable:										
Impact fees		114,720		-		114,720		_		
Loans receivable		1,281,448		_		1,281,448		_		
Investment in joint venture		340,089		-		340,089		••		
Capital assets:		,				- 11,100				
Land and construction in progress		11,754,636		1,891,175		13,645,811		-		
Capital assets being depreciated,				, ,		- , ,				
(net of accumulated depreciation										
of \$ 77,570,054)		212,183,739		3,715,460		215,899,199		_		
Total capital assets (net of accumulated	************									
depreciation)		223,938,375		5,606,635		229,545,010		_		
Total noncurrent assets		239,993,098		5,606,635	-	245,599,733		-		
Total assets	\$	308,598,621	\$	6,504,915	\$	315,103,536	\$	10,740,018		
		,		-, ,,- 10		,,		- 0,7 .0,010		

The accompanying notes are an integral part of this financial statement.

(Continued)

# CITY OF ROUND ROCK, TEXAS PROPRIETARY FUNDS STATEMENT OF NET ASSETS (CONTINUED) SEPTEMBER 30, 2009

	Business-Type Activities Enterprise Funds						Governmental Activities		
		Water and	(	Golf Course	•		Internal		
LIADII ITIEC AND NET ACCETO		Sewer Fund		Fund		Total	 Service		
LIABILITIES AND NET ASSETS									
Current liabilities:									
Accounts payable	\$	1,540,000	\$	_	\$	1,540,000	\$ 371,734		
Accrued payroll		114,673		-		114,673	· -		
Accrued interest		49,944		-		49,944	_		
Interfund payables		213,214		-		213,214	-		
Current portion of bonds payable		555,000		-		555,000	-		
Accrued benefit obligations		247,310		-		247,310	_		
Total current liabilities		2,720,141		_		2,720,141	 371,734		
Noncurrent liabilities:									
Unearned revenue		181,633		_		181,633	-		
Bonds payable		11,000,000		_		11,000,000	_		
Accrued benefit obligations		336,370		_		336,370	_		
Customer deposits		1,284,163		_		1,284,163	_		
Total noncurrent liabilities		12,802,166	-			12,802,166	 		
Total liabilities		15,522,307	-			15,522,307	 371,734		
Total habilities		13,322,307				13,322,307	 3/1,/34		
Net assets:									
Invested in capital assets,									
net of related debt		212,383,375		5,606,635		217,990,010	_		
Restricted for:									
Debt service		18,286		-		18,286	-		
Capital projects		15,552,833		-		15,552,833	-		
Unrestricted		65,121,820		898,280		66,020,100	 10,368,284		
Total net assets	\$	293,076,314	\$	6,504,915		299,581,229	\$ 10,368,284		
Reconciliation to government-wide statem	ent o	f net assets:							
Adjustment to reflect the cumulative r	et pr	ofit of the interna	al						
service fund that was allocated to	-					1,413,742			
Net assets of business-type activities					\$	300,994,971			

# CITY OF ROUND ROCK, TEXAS PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS YEAR ENDED SEPTEMBER 30, 2009

	Business-Type Activities- Enterprise Funds						G	overnmental Activities	
	Water and Golf Course Sewer Fund Fund		Total		Internal Service				
Operating revenues -									
Charges for services	\$	37,802,909	\$	485,972	\$	38,288,881	\$	8,691,983	
Total operating revenues		37,802,909		485,972		38,288,881		8,691,983	
Operating expenses -									
Personnel services		7,258,877		_		7,258,877		_	
Contractual services		15,790,749		-		15,790,749		1,382,595	
Supplies		913,200		-		913,200		-	
Materials		872,569		-		872,569		-	
Heat, light and power		2,521,364		-		2,521,364		-	
Claims expense		-		-		-	5,859,761		
Depreciation		9,302,647		182,521		9,485,168			
Total operating expenses		36,659,406		182,521		36,841,927		7,242,356	
Operating income		1,143,503		303,451		1,446,954		1,449,627	
Nonoperating revenues (expenses) -									
Investment and other revenues		1,292,130		13,711		1,305,841		158,933	
Loss in joint venture		(10,829)		-		(10,829)		· -	
Interest and fiscal charges		(289,194)		-		(289,194)		-	
Total nonoperating									
revenues (expenses)		992,107		13,711		1,005,818		158,933	
Income before contributions									
and transfers		2,135,610		317,162		2,452,772		1,608,560	
Contributions and transfers -							•		
Contributions - impact fees		4,568,130		_		4,568,130		_	
Contributions - other		5,535		_		5,535		_	
Developer contributions - infrastructure		7,916,826		-		7,916,826		-	
Transfers in		698,353		-		698,353		-	
Transfers out		(1,851,912)		(452,269)		(2,304,181)		(1,200,000)	
Total contributions and transfers		11,336,932		(452,269)		10,884,663		(1,200,000)	
Change in net assets		13,472,542		(135,107)		13,337,435		408,560	
Net assets, October 1, 2008, as restated		279,603,772		6,640,022				9,959,724	
Net assets, September 30, 2009	\$	293,076,314	\$	6,504,915			\$	10,368,284	
Reconciliation to government-wide states	ment	of activities:							
Adjustment to reflect the net profit o	f the	internal							
service fund that was allocated			unctic	ons.		64,235			
Change in net assets of business-type	acti	ivities			\$	13,401,670			

#### CITY OF ROUND ROCK, TEXAS PROPRIETARY FUNDS STATEMENT OF CASH FLOWS YEAR ENDED SEPTEMBER 30, 2009

	Business Type Activities- Enterprise Funds							overnmental Activities	
	Water and			Golf				Internal	
		Sewer Fund	Constitution	Course		Total	Service		
Cash flows from operating activities: Cash received from customers	\$	38,147,427	\$	485,972	\$	38,633,399	\$	731,110	
Cash received from other funds for services provided		-		-		-		6,898,128	
Cash payments to suppliers for goods and services		(20.15(.0(1)				(20.15(.9(1)		(6.065.407)	
Cash payments to employees for services		(20,156,861) (5,973,112)		-		(20,156,861) (5,973,112)		(6,965,407)	
Cash payments to other funds for services		(875,112)		-		(875,112)		_	
Net cash provided by		(873,137)				(873,137)			
operating activities		11,142,297		485,972	-	11,628,269		663,831	
Cash flows from noncapital financing activities:									
Intergovernmental loan		(1,281,448)		_		(1,281,448)		-	
Transfer from other funds		698,353		_		698,353		-	
Transfers to other funds		(1,851,912)		(452,269)		(2,304,181)		(1,200,000)	
Net cash provided by (used for) noncapital									
financing activities		(2,435,007)		(452,269)		(1,605,828)		(1,200,000)	
Cash flows from capital and related									
financing activities:									
Proceeds from capital debt		3,585,000		-		3,585,000		-	
Receipts of capital contributions		4,642,304		-		4,642,304		-	
Acquisition and construction of capital assets		(16,562,333)		(40,607)		(16,602,940)		-	
Proceeds from sale of capital assets		3,259,433		-		3,259,433		-	
Principal paid on revenue bonds		(320,000)		-		(320,000)		-	
Collection of loans		39,089		-		39,089		-	
Interest and fiscal charges paid		(248,400)				(248,400)		-	
Net cash used by capital and related financing activities		(5,604,907)		(40,607)		(5,645,514)		_	
Cash flows from investing activities:									
Purchase of investments		(25,121,833)		-		(25,121,833)		(2,046,250)	
Proceeds from sale of investments		17,250,000		-		17,250,000		2,000,000	
Investment and other income		1,306,701		13,710		1,320,411		206,588	
Net cash provided by (used for)									
investing activities		(6,565,132)		13,710		(6,551,422)		160,338	
Net increase (decrease) in cash and cash equivalents		(3,462,749)		6,806		(3,455,943)		(375,831)	
Cash and cash equivalents at beginning of year		36,797,446		891,474		37,688,920		8,945,591	
Cash and cash equivalents at end of year	\$	33,334,697	_\$_	898,280	\$	34,232,977	\$	8,569,760	

(Continued)

## CITY OF ROUND ROCK, TEXAS PROPRIETARY FUNDS STATEMENT OF CASH FLOWS (CONTINUED) YEAR ENDED SEPTEMBER 30, 2009

	Business-Type Activities  Enterprise Funds  Water and Golf						Governmental Activities Internal	
	Sewer Fund			Course	Total		Service	
Reconciliation of Cash and Cash Equivalents to Proprietary Fund Statement of Net Assets								
Cash and cash equivalents	\$	19,016,231	\$	898,280	\$	19,914,511	\$	8,569,760
Restricted assets -								
Cash and cash equivalents	***************************************	14,318,466				14,318,466		-
Cash and cash equivalents	\$	33,334,697	\$	898,280	\$	34,232,977	\$	8,569,760
Reconciliation of operating income to net cash provided by operating activities  Operating income	\$	1,143,503	\$	303,451	\$	1,446,954	\$	1,449,627
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation		9,302,647		182,521		9,485,168		-
Provision for bad debts		133,461		-		133,461		-
(Increase) decrease in receivables		333,101		-		333,101		-
(Increase) decrease in interfund receivables		-		-		-		(1,062,745)
(Increase) decrease in inventory		(12,624)		-		(12,624)		-
(Increase) decrease in other assets		(32,423)		-		(32,423)		-
Increase (decrease) in accounts payable		(221,688)		-		(221,688)		276,949
Increase (decrease) in accrued payroll		163,154		-		163,154		-
Increase (decrease) in interfund payables Increase in payables		213,214		-		213,214		-
from restricted assets		85,712		_		85,712		_
Increase in compensated absences		34,240				34,240		-
Total adjustments		9,998,794		182,521		10,181,315		(785,796)
Net cash provided by operations	\$	11,142,297	\$	485,972	\$	11,628,269	\$	663,831
**************************************	-							

#### **NOTES:**

In fiscal year 2009, the Water and Sewer Fund had \$7,916,826 in capital assets contributed, recognized \$167,072 in unrealized investment losses, and loss on joint venture of \$10,829.

<sup>(1)</sup> Noncash capital and related financing activities:

#### CITY OF ROUND ROCK, TEXAS FIDUCIARY FUND STATEMENT OF FIDUCIARY NET ASSETS SEPTEMBER 30, 2009

#### AGENCY FUND

<u>ASSETS</u>	Public Improvement Districts
Cash and cash equivalents	\$ 461,100
Total assets	\$ 461,100
<u>LIABILITIES</u>	
Liabilities - Due to participants	\$ 461,100
Total liabilities	\$ 461,100

NOTES TO THE FINANCIAL STATEMENTS



#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Round Rock, Texas is a municipal corporation incorporated under <u>Article XI</u>, <u>Section 5</u> of the <u>Constitution of the State of Texas (Home Rule Amendment)</u>. The City operates under a Council-Manager form of government. The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

#### A. REPORTING ENTITY

The City provides various services and performs many different functions. These include a police force, a fire fighting and protection force, emergency medical services, a parks and recreation system, a municipal golf course, a public library, convention and tourism support, planning and zoning, a waterworks and sewer utility system. The City's staff provides the necessary support for the services provided. All are responsible to the Citizens of Round Rock and are therefore included within the reporting entity.

As required by generally accepted accounting principles, these financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the City.

#### Blended component unit

The Round Rock Transportation System Development Corporation, an entity legally separate from the City, is governed by a seven-member board appointed by the City Council. The City Council maintains budgetary control of the Corporation. For financial reporting purposes the Round Rock Transportation System Development Corporation is presented as a part of the City's operations because its sole purpose is to utilize sales tax revenues for the improvement of the City's transportation system. The revenues of the corporation and its administrative expenditures are accounted for in a special revenue fund, while the capital improvements are accounted for in a capital projects fund.

#### B. BASIS OF PRESENTATION-GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. GASB Statement No. 34 requires certain supplementary information. Management's Discussion and Analysis includes an analytical overview of the City's financial activities. In addition, budgetary comparison statements are presented that compare the adopted and amended budgets of the General Fund and the Round Rock Transportation System Development Corporation Special Revenue Fund with their actual results.

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### B. BASIS OF PRESENTATION-GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

#### **Government-wide Statements:**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all non-fiduciary activities of the primary government and its component unit. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The City's statement of net assets includes both non-current assets and non-current liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (police, fire, public works, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales or franchise taxes, intergovernmental revenues, interest income, etc.).

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from financial activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, and the component unit. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### B. BASIS OF PRESENTATION-GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

#### **Fund Financial Statements:**

Separate fund based financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. An emphasis is placed on major funds within the governmental and proprietary categories. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The major governmental funds are the general fund, the debt service fund, the Round Rock Transportation System Development Corporation's special revenue and capital project funds, the self-financed construction fund and the 2007 General Obligation Bond capital projects fund. The nonmajor funds are combined in a separate column in the fund financial statements.

The internal service fund, which provides services to the other funds of the government, is presented as part of the proprietary fund financial statements. Because the principal users are the City's governmental activities, financial statements of the internal service fund are consolidated into the governmental column when presented at the government-wide level. The costs of these services are reflected in the appropriate functional activity (general government, public safety, public works, etc.).

The City's fiduciary fund is presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, this fund is not incorporated into the government-wide statements.

#### C. GOVERNMENTAL FUND TYPES

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those, if any, which should be accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination. The City maintains the following governmental fund types:

<u>General Fund</u> - The General Fund accounts for financial resources in use for general types of operations, which are not encompassed within other funds. The general fund is considered a major fund in the fund financial statements.

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. GOVERNMENTAL FUND TYPES (CONTINUED)

<u>Special Revenue Funds</u> - <u>Special Revenue Funds</u> are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

There are nine groups of funds within the Special Revenue Funds which account for the activities related to grant programs, hotel-motel room taxes, transportation system improvement sales tax and funds designated for specific service programs. They are as follows:

- Street and Bridge Fund
- Hotel-Motel Occupancy Tax Fund
- Police Fund
- Municipal Court Fund
- Landscape Fund
- Round Rock Transportation System Development Corporation Revenue Fund
- Community Development Block Grant Fund
- Annexation Fees Fund
- Library Fund

The Round Rock Transportation System Development Corporation special revenue fund is considered a major fund in the fund financial statements. It accounts for sales tax monies received for streets, drainage and other transportation system improvements, including maintenance costs associated with such authorized projects.

<u>Debt Service Fund</u> - The <u>Debt Service Fund</u> is used to account for the accumulation of resources for, and the payment of, governmental long-term debt principal, interest and related costs. The debt service fund is considered a major fund in the fund financial statements.

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. GOVERNMENTAL FUND TYPES (CONTINUED)

<u>Capital Projects Funds</u> - The <u>Capital Projects Funds</u> are used to account for financial resources to be used for the acquisition or construction of capital facilities (other than those financed by proprietary funds).

There are eleven groups of funds within the Capital Projects Fund which account for the activities related to various capital improvements projects as follows:

- Streets and Drainage
- 2004 General Obligation Bonds
- Park Development
- 2007 Series Certificates of Obligation
- 2002 Series General Obligation Bonds
- Self-Financed Construction
- Convention Center Complex Fund
- Round Rock Transportation System Development Corporation Project
- 2000 Series Certificates of Obligation (Municipal Complex, Park Land & Streets)
- Tourism Development Fund
- 2007 General Obligation Bond Fund

The Round Rock Transportation System Development Corporation capital projects fund, the Self-Financed construction fund and the 2007 Series General Obligation Bonds are considered major funds in the fund financial statements. The Round Rock Transportation System Development Corporation fund accounts for transportation system improvements funded by sales tax revenues. The Self-Financed Construction fund accounts for the costs of authorized general capital improvements and facilities. Financing is provided by general government resources. The 2007 Series GO Bonds fund accounts for street, traffic safety and sidewalk improvement projects, parks and recreation facilities, public safety facilities and improvements, municipal office facilities and public works improvements.

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. PROPRIETARY FUND TYPES

<u>The Proprietary Funds</u> are used to account for the City's ongoing organizations and activities that are similar to those found in the private sector. The measurement focus is upon capital maintenance and upon determination of net income, financial position and cash flows. The City maintains the following Proprietary Fund types.

<u>The Enterprise Fund</u> is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's Enterprise Fund consists of the Water and Sewer Utility Fund and the Golf Course Fund. These funds are primarily supported by user charges.

#### E. OTHER FUND TYPES

<u>Internal Service Fund</u> - The Internal Service Fund is used to account for the financing of goods or services provided by one department or agency to other City departments or agencies on a cost-plus basis. The City's Internal Service Fund is the Self-Funded Health Insurance Fund, which is used to account for the activities of the City's self-funded health insurance program.

<u>Agency Fund</u> - The Agency Fund is purely custodial (assets equal liabilities) and thus does not involve measurement of results of operations. The Agency Fund is the Public Improvement Districts Fund.

#### F. NON-CURRENT GOVERNMENTAL ASSETS/LIABILITIES

GASB Statement No. 34 eliminated the presentation of account groups, but provides for these records to be maintained and incorporates the information into the governmental activities column in the government-wide statement of net assets.

#### G. BASIS OF ACCOUNTING

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

The government-wide 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 the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### G. BASIS OF ACCOUNTING (CONTINUED)

#### **Fund Financial Statements**

In the fund financial statements, all governmental funds are accounted for using a modified accrual basis of accounting. Governmental funds use the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

#### **Governmental Funds**

#### Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis of accounting, revenues are recorded when deemed both measurable and available. Measurable means that the amount of the transaction can be determined. Available means the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Property tax revenues are recognized when they become available. In this case, available means when due, or past due and receivable within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Tax collections expected to be received subsequent to the 60-day availability period are reported as deferred revenue.

Hotel taxes, franchise fees, and special assessments are recorded when susceptible to accrual, both measurable and available. Sales taxes collected and held by the State at year-end on behalf of the City are also recognized as revenue. Licenses and permits, charges for services, fines and forfeitures and other revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Earnings on investments are recorded on the accrual basis in all funds. Unrealized gains or losses on investments are also recognized in accordance with GASB Statement No. 31.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual grant programs are used for guidance. Monies received are generally unrestricted as to purpose of expenditure and are revocable only for failure to comply with prescribed compliance requirements. These resources are recognized as revenues at the time of receipt, or sooner, if the susceptible to accrual criteria are met.

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### G. BASIS OF ACCOUNTING (CONTINUED)

#### **Governmental Funds (Continued)**

#### Revenue Recognition (Continued)

The City reports deferred revenue on its fund financial statements. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

#### Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred except for unmatured principal and interest on governmental long-term debt which are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds' fund financial statements.

#### **Proprietary and Agency Funds**

In the fund financial statements and the government-wide statements, proprietary and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred, if measurable.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund, the golf course fund and the internal service fund are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service fund include the cost of sales and service, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

The proprietary funds follow GAAP prescribed by GASB and all Financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its proprietary funds as prescribed by the GASB.

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### H. CASH AND CASH EQUIVALENTS

In accordance with GASB Statement 9, for reporting purposes, the City has developed a definition of cash equivalents. Cash equivalents are demand deposit account balances, investments with the State Investment Pool, repurchase agreements, obligations of the United States government and its agencies, commercial paper and certificates of deposit with original maturities of three months or less.

#### I. INVENTORIES AND PREPAID ITEMS

**Inventories** of supplies for all funds are valued at cost. The consumption method is used to account for inventories. Under the consumption method, an expenditure is recognized when inventory items are used. Cost is determined for inventories of supplies on the first-in, first-out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as **prepaid items** (other current assets) in both the government-wide and fund financial statements.

#### J. JOINT VENTURE

**Joint venture** represents the City's equity interest calculated in accordance with the agreement for Brushy Creek Regional Utility Authority (BCRUA). The City's initial investment in this joint venture was recorded at cost. The City shares in the operating results in this joint venture so the City adjusts its equity interest by the amount of its participating share of the joint venture's change in net assets.

#### K. CAPITAL ASSETS

**Capital assets** are stated at historical cost. Maintenance and repairs are charged to operations as incurred. Improvements and betterments, which extend the useful lives of assets, are capitalized.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by the fund's measurement focus. The minimum capitalization threshold is any individual item with a total cost greater than \$5,000 and a useful life of at least 5 years. Contributed assets are recorded at the estimated fair market value at the time received.

Public domain capital assets (infrastructure) have been capitalized. Infrastructure consists of certain improvements other than buildings, including roads, curbing, gutters, streets and sidewalks and drainage systems.

In the government-wide statements, depreciation of plant and equipment classified by functional components is provided by the straight-line method over their estimated useful lives. Estimated useful lives are as follows:

Buildings30-50 yearsImprovements other than buildings10-40 yearsMachinery and equipment5-10 years

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### K. CAPITAL ASSETS (CONTINUED)

When capital assets are retired or otherwise disposed of, a gain or loss on disposal of assets is recognized.

In the fund financial statements, because of the application of the current financial resources focus and the use of modified accrual accounting for governmental funds, depreciation is only recognized for the Enterprise Funds.

For the Enterprise Fund's capital assets, interest is capitalized on construction costs. The amount of interest cost capitalized for assets constructed with tax-exempt borrowings is equal to the cost of borrowing, less interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowings. The total amount of interest expense incurred and expensed was \$289,194.

#### L. LONG-TERM DEBT

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Hotel Occupancy Tax Revenue Bonds were issued to fund the City's portion of the construction of a convention center complex. The project costs were shared with a private corporation in accordance with the Master Agreement Regarding Convention Center Development. The Hotel Occupancy Tax Revenue Bonds are to be repaid from the hotel tax revenues.

Loans from the State Infrastructure Bank have been received to fund transportation improvements. The loans are to be repaid from revenues of the Round Rock Transportation System Development Corporation.

Revenue bonds, which have been issued to fund capital projects of the Enterprise Fund are to be repaid from net revenues of the utility systems.

Sales tax revenue bonds have been issued to fund transportation improvements. The bonds are to be repaid from revenues of the Round Rock Transportation System Development Corporation.

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### M. ACCRUED BENEFIT OBLIGATIONS

#### **Unpaid Compensated Absences**

Each employee may accumulate a total of two years vacation eligibility. Employees are paid for the accumulated vacation upon termination. Effective January 1, 1994, a liability for sick pay is not recorded since sick pay does not vest.

The City accrues a liability for accumulated vacation and sick leave benefits, which meet the following criteria:

- The City's obligation to fund accumulated vacation and sick leave benefits is attributable to employees' services already rendered
- The obligation relates to rights that vest or accumulate
- Payment of the compensation is probable
- The amount can be reasonably estimated

All vacation pay is accrued when incurred in the government-wide and proprietary 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 resignations and retirements.

#### Other Post-employment Benefits

The City provides its retirees the opportunity to maintain health insurance coverage by participating in the City's self insurance plan. The City accrues a liability for the annual required contribution, as determined by an actuary, less the actual cost incurred on a pay as you go basis on the government-wide and proprietary fund financial statements. The actual cost recorded in the governmental fund financial statements is the cost of the health benefits incurred on behalf of the retirees less the premiums collected from the retirees.

#### N. TRANSACTIONS BETWEEN FUNDS

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations of both governmental and proprietary funds. Nonrecurring or non-routine transfers of equity between funds – for example, contribution of capital assets to a proprietary fund or transfers of residual balances of discontinued funds to other funds - are accounted for as transfers.

As a rule, the effect of interfund activity has been eliminated from the government-wide statement of net assets. Exceptions to this rule are cost reimbursement transactions between the enterprise fund and various other functions of the government for utilities and for reimbursement of personnel costs for employees administering grant programs. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### O. RESTRICTED ASSETS

Certain bond proceeds, as well as resources set aside for their repayment, are classified as restricted assets because their use is limited by bond covenants. Other assets are restricted due to City Ordinance restrictions on their use.

Net assets have been restricted for the excess of restricted assets over related liabilities to the extent such restricted assets were accumulated from revenues (i.e., in some cases, restricted assets were obtained in total or in part from the proceeds of bond sales or grants).

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

#### P. FUND BALANCE/NET ASSETS

Fund balance and net assets represent the difference between assets and liabilities. Fund balance reservations identify the portion of fund balance that is segregated for a future purpose or not available for expenditure in the following period.

Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

#### 1) Fund balance components:

- i. Federal seizure reserved for expenditures on law enforcement expenditures as authorized by state law for asset forfeiture monies.
- ii. Debt service reserved for the retirement of general long-term debt.
- iii. Authorized construction reserved to fund capital projects.
- iv. Unreserved & undesignated funds available for expenditure in the following period.

#### 2) Net asset categories:

- i. Invested in capital assets, net of related debt capital assets, net of accumulated depreciation, reduced by
  - a) the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.
  - b) unspent bond proceeds.
- ii. Debt service restricted for the retirement of bonds.
- iii. Capital projects funds whose source is restricted for future capital improvements.
- iv. Unrestricted no limitations are imposed on the use of net assets.

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Q. PRIOR PERIOD ADJUSTMENT

The City is restating its fund balance and net assets as of October 1, 2008 due to recognizing a sales tax adjustment for Dell Inc. and accruing payroll expense when incurred. The impact of these adjustments is presented as follows:

	General Fund	RRTSDC Revenue Fund		Hotel/Motel Occupancy Tax		C	Total Governmental Funds
Fund balance October 1, 2008:				-			
As originally reported	\$ 40,685,364	\$	50,115,593	\$	6,375,196	\$	193,250,011
Dell sales tax refund	(985,405)		(563,088)		-		(1,548,493)
Accrue payroll	 (1,396,193)		-		(6,374)		(1,402,567)
As restated	\$ 38,303,766	\$	49,552,505	\$	6,368,822	\$	190,298,951
			Governmental Business-Type		Total		
Net Assets October 1, 2008:							
As originally reported		\$	435,530,289	\$	287,781,044	\$	723,311,333
Dell sales tax refund			(1,548,493)		-		(1,548,493)
Accrue payroll			(1,402,567)		(187,743)		(1,590,310)
As restated		\$	432,579,229	\$	287,593,301	\$	720,172,530

### R. TAP-IN (CONNECTION FEES) AND IMPACT FEES

Water and sewer tap-in fees (connection fees) represent reimbursement of the costs incurred to perform the connection of the respective utilities. These fees are recorded as operating revenue at the time of service. The impact fee substantially exceeds the cost of connection to the water and sewer system, and is therefore viewed as a contribution. Effective with the implementation of Governmental Accounting Standards Board Statement 33, impact fees are recorded as contributions in the Enterprise Fund.

#### S. COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year has not been presented. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

#### T. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Specifically, the actuarial calculations to determine the annual required contributions of the retirement and other post-employment benefits are based on assumptions about events far into the future. Accordingly, actual results could differ from those estimates.

### II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. BUDGETARY ACCOUNTING

The City follows these procedures in establishing the appropriated budget as reflected in the accompanying financial statements:

- (1) At least sixty days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget, which represents the financial plan for the ensuing fiscal year, includes proposed expenditures and the means of financing them.
- Public hearings are conducted at which all interested persons' comments concerning the budget may be heard.
- (3) The budget is legally enacted by the City Council through passage of an appropriation ordinance and tax-levying ordinance not later than the final day of the last month of the fiscal year.
- (4) Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Proprietary Funds. Management control for the operating budget is maintained at the individual office, department, or agency level.
- (5) Annual budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Fund and the Proprietary Funds. Capital Projects Funds have no binding annual budget. Project-length financial plans are adopted for all capital projects; accordingly, no comparison of budget to actual is presented in the financial statements.
- (6) Amendments that alter total expenditures of any fund must be approved by the City Council. Although costs are monitored on a departmental basis, the level of control at which expenditures may not exceed the budget is at the fund level. The reported budgetary data has been revised for amendments authorized.
- (7) Any appropriation balances in the General Fund and Special Revenue Funds lapse or revert to the undesignated fund balances at the close of each fiscal year.

The budgets of the various funds are prepared on a basis consistent with generally accepted accounting principles as described above. Budgeted amounts are as originally adopted, or as amended by the City Council on October 22, 2009. Amendments to Special Revenue and Debt Service Funds were not material to the original appropriations. The original budget of the General Fund was amended twice during 2009. The following table compares original to final budgets. The largest amendments were to reduce sales taxes by \$ 1.3 million to projected levels and reallocate funds from departmental savings to specified capital purchases.

### II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED) A. BUDGETARY ACCOUNTING (CONTINUED)

	Amendments					
		Original		Increase		Final
	Budget			(Decrease)		Budget
Revenues -						
Taxes and franchise,						
including interest and penalties	\$	72,736,000	\$	(1,372,300)	\$	71,363,700
Licenses, permits and fees		1,026,000		(101,000)		925,000
Charges for services		3,768,774		(169,100)		3,599,674
Fines and forfeitures		2,184,000		(288,000)		1,896,000
Intergovernmental		367,000		-		367,000
Investment and other		3,606,500		-		3,606,500
Total revenues		83,688,274		(1,930,400)		81,757,874
Expenditures -						
Current -						
General government		24,054,355		(1,978,775)		22,075,580
Public safety		35,013,125		(1,269,424)		33,743,701
Public works		14,266,601		(4,343,375)		9,923,226
Culture and recreation		11,870,533		(687,169)		11,183,364
Total expenditures		85,204,614		(8,278,743)		76,925,871
Excess (deficiency) of revenues						
over expenditures		(1,516,340)		6,348,343		4,832,003
Other financing sources (uses) -						
Issuance of lease		750,000		-		750,000
Transfers in		1,690,000		1,020,000		2,710,000
Transfers out		(921,000)		(6,348,343)		(7,269,343)
Total other financing sources (uses)		1,519,000		(5,328,343)		(3,809,343)
Net change in fund balances	\$	2,660	\$	1,020,000	\$	1,022,660

### **B. ENCUMBRANCES**

**Encumbrances** represent commitments related to unperformed (executory) contracts for goods or services. For budgetary purposes, encumbrances lapse at fiscal year-end.

### 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 ASSETS

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net assets-governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Bonds payable	\$ 193,023,512
Plus: Issuance premium (to be amortized against interest expense)	2,533,372
Less: Issuance discount (to be amortized against interest expense)	(211,503)
Less: Deferred charge from issuance costs	
(to be amortized over life of debt)	(2,441,847)
Less: Deferred charge on refundings	
(to be amortized over life of debt)	(2,978,989)
Accrued interest payable	1,618,700
Capital leases payable	4,124,782
Compensated absences	3,665,355
Other post-employment benefits	370,185
Net adjustment to reduce fund balance - total governmental funds	
to arrive at net assets - governmental activities	 199,703,567

### B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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 difference are as follows:

Capital outlay	\$	40,000,535
Depreciation expense		(25,395,101)
Net adjustment to increase net changes in fund balances -		
total governmental funds to arrive at changes in net assets		
of governmental activities	_\$_	14,605,434

### III. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

## 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 (CONTINUED)

Another element of the reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, and donations) is to increase net assets." The details of this difference are as follows:

Donations	\$	9,761,765
Reclassifications, disposals, and transfers		-
Net adjustment to increase net changes in fund balances - total		
governmental funds to arrive at changes in net assets of		
governmental activities	_\$	9,761,765

Another element of the reconciliation states that "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." The details of this difference are as follows:

Issuance of lease	\$ (1,505,390)
Debt payments	9,786,020
Capital leases payments	1,030,662
Net adjustment to decrease net changes in fund balances -	
total governmental funds to arrive at changes in net assets	
of governmental activities	\$ 9,311,292

Another element of the reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this difference are as follows:

Amortization of bond premium/discount	\$ 177,330
Change in compensated absences	(255,547)
Increase in OPEB liability	(370,185)
Change in accrued interest	73,470
Amortization of issuance costs	(421,404)
Net adjustment to decrease net changes in fund balances - total	
governmental funds to arrive at changes in net assets of	
governmental activities	\$ (796,336)

### IV. DETAILED NOTES ON ALL FUNDS

#### A. CASH AND INVESTMENTS

At September 30, 2009, the carrying amount of deposits was a credit balance of \$ 111,346 primarily consisting of outstanding checks; and the respective bank balances totaled \$ 636,406. The City's bank balances were fully insured or collateralized with securities held by the City's agent in the City's name.

#### Investments -

All investments are presented at fair value. The fair value of U.S. Government Securities is based upon discounted future cash flows. The fair value of the positions in the state investment pools is the same as the value of the pool shares. The increase in the fair value of investments during the year ended September 30, 2009 is as follows:

Fair value at September 30, 2009	\$ 115,518,827
Add: Proceeds of investments matured this fiscal year	79,545,000
Less: Cost of investments purchased this fiscal year	(85,260,003)
Less: Fair value at September 30, 2008	(110,760,581)
Change in fair value of investments	\$ (956,757)
Change in rain value of investments	φ (930,737)

Reconciliation of cash and investments to the statement of net assets amounts for cash and cash equivalents and investments is as follows:

Cash in banks	\$ (111,346)
Investments	259,308,405
Total cash and investments	\$ 259,197,059
Statement of net assets presentation:	
Cash and cash equivalents	\$ 58,735,904
Investments	97,414,619
Restricted assets -	
Cash and cash equivalents	86,957,795
Investments	16,088,741
Total cash and cash equivalents and investments	\$ 259,197,059

### IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

### A. CASH AND INVESTMENTS (CONTINUED)

Investments are classified as follows:

		Б.	Weighted Average
	Carrying	Fair	Maturity
	Amount	Value	(Days)
U. S. Government Securities	\$ 111,423,827	\$ 111,423,827	328
Certificates of Deposit	4,095,000	4,095,000	272
Investments in State Investment Pools	143,789,578	143,789,578	1
	\$ 259,308,405	\$ 259,308,405	
Portfolio weighted average maturity			146

In accordance with its investment policy, the City manages its interest rate risk by limiting the weighted average maturity of its portfolio to less than 360 days.

### Legal and Contractual Provisions Governing Deposits and Investments

The **Public Funds Investment** Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

Additional contractual provisions governing deposits and investments are as follows:

The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law.** The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

### IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### A. CASH AND INVESTMENTS (CONTINUED)

#### Policies Governing Deposits and Investments

- 1. Foreign Currency Risk The City's deposits and investments are not exposed to foreign currency risk.
- 2. Custodial Credit Risk The City's policy is to be collateralized. The City was fully collateralized during the year.
- 3. Interest Rate Risk The City has no debt securities which have interest rate risk.
- 4. Other Credit Risk Exposure The City does not invest in debt securities directly; however there are some in the pools the City invests in.
- 5. Credit Risk In compliance with the City's Investment Policy, as of September 30, 2009, the City minimized credit risk losses due to default of security issuer or backer by:
  - a) Limiting investments to the safest rated securities. All the City's purchased investments in U. S. Agencies were rated AAA, AAA, and Aaa by Standard & Poors, Fitch and Moody's respectively;
  - b) Using a registered investment advisor to provide investment and market advice; and
  - c) Diversifying the investment portfolio so that potential losses on individual securities were minimized.

The City invests on a short term basis in two investment pools. At September 30, 2009, \$118,712,677 was invested in Texpool. The Comptroller of Public Accounts is the sole officer and director of the Texas Treasury Safekeeping Trust Company, which is authorized to operate the state investment pool. The Comptroller maintains oversight of all operations of the pool. The state investment pool is rated AAAm by Standard and Poor's.

In addition, \$25,076,901 was invested in the Texas Short Term Asset Reserve Program (TexSTAR). TexSTAR is an investment pool that is authorized under Chapters 791 (Cooperation Act) and 2256 (Investment Act) of the Texas Government Code. The investment pool is managed by a five member board of directors and a nine member advisory board. Participants have representation on the board. TexSTAR is rated AAAm by Standard & Poors.

Concentration Risk – The City invests only in pools, certificates of deposit and U. S. Government Securities. State law authorizes the City to invest in obligations of the United States government and its agencies, commercial paper and certificates of deposit of any state or federally chartered bank. All investments made in 2009 were of the aforementioned categories.

### IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### B. PROPERTY TAXES AND RECEIVABLES

Property taxes attach as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Williamson Central Appraisal District established appraisal values in accordance with requirements of the Texas Legislature.

The City Council levies taxes based upon the appraised values. The Round Rock Independent School District bills and collects the City's property taxes.

The property tax rates, established in accordance with state law, were based on 100% of the net assessed valuation of real and personal property within the City on the 2008 tax roll. The tax rate, based on total taxable assessed valuation of \$8,194,467,718 was \$.36522 on each \$100 valuation and was allocated to the General Fund and Debt Service Fund at \$0.21716 and \$0.14806, respectively.

Property taxes receivable at September 30, 2009, consisted of the following:

	 General Fund	Debt Service Fund		Total
Current year levy	\$ 131,531	\$	89,678	\$ 221,209
Prior years' levies	274,543		238,774	513,317
	406,074		328,452	734,526
Less - allowance for				
uncollectible taxes	 (33,698)		(23,023)	(56,721)
	\$ 372,376	\$	305,429	\$ 677,805

Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

### IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

### C. INTERFUND, RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables as of September 30, 2009 were as follows:

Receivable Fund	Payable Fund		Receivable		Payable	
General	Debt Service	\$	\$ 158,712		158,712	
Debt Service	General Fund		36,767		36,767	
Self-Financed Construction	General Fund	2	24,664,578		24,664,578	
Water and Sewer	General Fund		27,822		27,822	
Internal Service Fund	General Fund		844,040		844,040	
	Utility Fund		213,214		213,214	
	Hotel Occupancy Tax		5,491		5,491	
		\$ 2	25,950,624	\$	25,950,624	
Governmental Funds		\$ 2	24,860,057	\$	25,737,410	
Proprietary Funds			27,822		213,214	
Internal Service Fund			1,062,745			
		\$ 2	25,950,624	\$	25,950,624	

The balance of \$24,664,578 due to the self-financed construction fund from the general fund resulted from scheduled transfers to fund approved capital programs.

All remaining 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.

The City reports interfund transfers between many of its funds. These routine transfers are consistent with the activities of the funds.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. A summary of transfers between funds is as follows:

### IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

### C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

	T	ransfers In	Tr	ansfers Out
General Fund -	•	1 (00 000	•	
Water and Sewer Fund	\$	1,690,000	\$	-
Self-financed Construction		1,020,000		7,162,756
Debt Service Fund -		2,710,000		7,162,756
Water and Sewer Fund		161.012		
Golf Course Fund		161,912		-
		452,269		-
Round Rock Transportation Development Corporation Revenue Fund Nonmajor Governmental Funds		6,399,078		-
Nonnagor Governmental Funds		530,000		-
Round Rock Transportation Development Corporation Revenue Fund -	-	7,543,259		
Round Rock Transportation Development Corporation Project Fund				14 225 000
Debt Service Fund		-		14,325,000
Deat Service Fund				6,399,078
Round Rock Transportation Development Corporation Project Fund -				20,724,078
Round Rock Transportation Development Corporation Revenue Fund		14 225 000		
Nonmajor Governmental Funds		14,325,000		108,260
Nonnajor Governmentar Funds		14,325,000		108,260
Self-Financed Construction -		14,323,000		108,200
General Fund		7 162 756		
Nonmajor Governmental Funds		7,162,756 1,008,707		-
ronnajor Governmentar i unus	***************************************	8,171,463		
Nonmajor Governmental Funds -	-	6,171,403		
Self-financed Construction				340,075
Nonmajor Governmental Funds		636,000		1,834,632
Water and Sewer Fund		050,000		410,093
Water and Sewer I and		636,000		2,584,800
Subtotal of Governmental Funds	•	33,385,722	-	30,579,894
Water and Sewer Fund-		33,303,722		30,377,074
General Fund		_		1,690,000
Debt Service Fund		_		161,912
Internal Service Fund		180,000		101,512
Nonmajor Governmental Funds		518,353		_
The state of the s	-	698,353		1,851,912
Golf Course Fund-		0,0,000		1,001,712
Self-financed Construction		_		_
Debt Service Fund		_		452,269
		-		452,269
Subtotal of Proprietary Funds		698,353		2,304,181
Internal Service Fund-				
General Fund		-		1,020,000
Water and Sewer Fund		-		180,000
		_		1,200,000
	\$	34,084,075	\$	34,084,075
	Ψ	34,004,073	Ψ	37,007,073

### IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

### D. JOINT VENTURE

The City entered into a partnership with the cities of Leander and Cedar Park and formed Brushy Creek Regional Utility Authority (BCRUA). The BCRUA has the responsibility to provide reliable, cost effective sources of water. The City accounts for this partnership as a joint venture. Condensed financial statements for BCRUA are as follows:

### STATEMENT OF NET ASSETS

### As of September 30, 2009

	Total	City's Interest
<u>ASSETS</u>		
Cash and cash equivalents	\$ 39,975	
Restricted cash and cash equivalents:		
Debt service	10,537,854	
Escrow	162,894,684	
Deferred charges, net	899,038	
Construction in progress	29,770,576	
Total Assets	204,142,127	
<u>LIABILITIES</u>		
Accounts payable	134,686	
Accrued bond interest payable	2,001,789	
Payable to partners	19,200,959	
Total current liabilities	21,337,434	
Bonds payable	182,020,000	
Total Liabilities	203,357,434	
NET ASSETS	\$ 784,693	\$ 340,089

### STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

### For the Year Ended September 30, 2009

Total		City's Interest	
\$	-	\$	-
28,538			10,829
	(28,538)		(10,829)
	-		-
	813,231		350,918
\$	784,693	\$	340,089
		\$ - 28,538 (28,538) - 813,231	\$ - \$ 28,538 (28,538) - 813,231

Complete financial statements may be obtained at the BCRUA, 221 East Main St, Round Rock, Texas, 78664.

### IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

### E. CAPITAL ASSETS

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

Completions         Adjustments         2009           Covernmental Activities:           Capital assets not being depreciated:           Land         \$23,257,586         \$2,660,026         \$		October 1,	Additions/	Retirements/	September 30,	
Capital assets not being depreciated:         \$23,257,586         \$2,660,026         \$ - \$ \$25,917,612           Construction in progress         61,257,994         39,756,906         (79,125,677)         21,889,223           Total capital assets not being depreciated         84,515,580         42,416,932         (79,125,677)         47,806,835           Capital assets being depreciated:         84,515,580         101,255,581         (19,784,545)         610,545,682           Equipment         45,342,299         5,087,833         (2,178,114)         48,252,018           Total capital assets being depreciated         574,416,945         106,343,414         (21,962,659)         658,797,700           Less accumulated depreciation for:         8187,607,044         20,074,090         (98,568)         207,582,566           Equipment         29,975,299         5,321,011         (1,991,722)         33,304,588           Total capital assets being depreciated, net Governmental activities capital assets, net         356,834,602         80,948,313         (19,872,369)         417,910,546           Governmental activities capital assets, net         \$2,544,504         \$0.89,81,313         (19,872,369)         417,910,546           Governmental activities capital assets, net         \$2,544,504         \$0.89,81,313         (19,872,369)         417,910,546 <td></td> <td>2008</td> <td>Completions</td> <td>Adjustments</td> <td>2009</td>		2008	Completions	Adjustments	2009	
Land         \$ 23,257,586         \$ 2,660,026         \$ 0.00000000000000000000000000000000000	Governmental Activities:					
Construction in progress         61,257,994         39,756,906         (79,125,677)         21,889,223           Total capital assets not being depreciated         84,515,580         42,416,932         (79,125,677)         47,806,835           Capital assets being depreciated:         82,9074,646         101,255,581         (19,784,545)         610,545,682           Equipment         45,342,299         5,087,833         (2,178,114)         48,252,018           Total capital assets being depreciated         574,416,945         106,343,414         (21,962,659)         658,797,00           Less accumulated depreciation for:         8187,607,044         20,074,090         (98,568)         207,582,566           Equipment         29,975,299         5,321,011         (1,991,722)         33,304,588           Total accumulated depreciation         217,582,343         25,395,101         (2,090,290)         240,887,154           Total capital assets being depreciated, net         356,834,602         80,948,313         (19,872,369)         417,910,346           Business-type activities:         24,441,550,182         \$2,3365,245         \$9,898,046)         \$465,717,381           Equipment Gepreciated:         22,544,504         \$1,459,931         (31,262,357)         11,101,307           Total capital assets not being depreciated:<	Capital assets not being depreciated:					
Total capital assets not being depreciated:         84,515,580         42,416,932         (79,125,677)         47,806,835           Capital assets being depreciated:         Buildings and improvements         529,074,646         101,255,581         (19,784,545)         610,545,682           Equipment         45,342,299         5,087,833         (2,178,114)         48,252,018           Total capital assets being depreciated         574,416,945         106,343,414         (21,962,659)         658,797,700           Less accumulated depreciation for:         8187,607,044         20,074,090         (98,568)         207,582,566           Equipment         29,975,299         5,321,011         (1,991,722)         33,304,588           Total accumulated depreciation         217,582,343         25,395,101         (2,090,290)         240,887,154           Total capital assets being depreciated, net         356,834,602         80,948,313         (19,872,369)         417,910,546           Governmental activities capital assets, net         \$ 441,350,182         \$ 123,365,245         \$ 98,998,046         \$ 465,717,381           Buildia assets not being depreciated:           Land         \$ 2,544,504         \$ \$ \$ \$ \$ \$ \$ \$ \$ \$         \$ \$ 2,544,504           Construction in progress         26,903,733         15,459,931         (31	Land	\$ 23,257,586	\$ 2,660,026	\$ -	\$ 25,917,612	
Capital assets being depreciated:         Secundary of the provided of the pro	Construction in progress	61,257,994	39,756,906	(79,125,677)	21,889,223	
Buildings and improvements         529,074,646         101,255,581         (19,784,545)         610,545,682           Equipment         45,342,299         5,087,833         (2,178,114)         48,252,018           Total capital assets being depreciated         574,416,945         106,343,414         (21,962,659)         658,797,700           Less accumulated depreciation for:         Buildings and improvements         187,607,044         20,074,090         (98,568)         207,582,566           Equipment         29,975,299         5,321,011         (1,991,722)         33,304,588           Total accumulated depreciation         217,582,343         25,395,101         (2,090,290)         240,887,154           Total capital assets being depreciated, net Governmental activities capital assets, net         356,834,602         80,948,313         (19,872,369)         417,910,546           Business-type activities:         441,350,182         \$12,3365,245         (98,998,046)         \$465,717,381           Business-type activities:           Land         \$2,544,504         \$0,93,933         (19,872,369)         41,101,307           Total capital assets not being depreciated:         29,448,237         15,459,931         (31,262,357)         11,101,307           Capital assets being depreciated:         260,057,676         25,	Total capital assets not being depreciated	84,515,580	42,416,932	(79,125,677)	47,806,835	
Equipment         45,342,299         5,087,833         (2,178,114)         48,252,018           Total capital assets being depreciated         574,416,945         106,343,414         (21,962,659)         658,797,700           Less accumulated depreciation for:         Buildings and improvements         187,607,044         20,074,090         (98,568)         207,582,566           Equipment         29,975,299         5,321,011         (1,991,722)         33,304,588           Total accumulated depreciated, net         356,834,602         80,948,313         (19,872,369)         417,910,546           Governmental activities capital assets, net         \$ 441,350,182         \$ 123,365,245         \$ (98,998,046)         \$ 465,717,381           Business-type activities:           Capital assets not being depreciated:           Land         \$ 2,544,504         \$ -         \$ -         \$ 2,544,504           Construction in progress         26,903,733         15,459,931         (31,262,357)         11,101,307           Total capital assets not being depreciated:         29,448,237         15,459,931         (31,262,357)         13,645,811           Capital assets being depreciated:           Buildings and improvements         260,057,676         25,762,863         -         285,820,539 <td>Capital assets being depreciated:</td> <td></td> <td></td> <td></td> <td></td>	Capital assets being depreciated:					
Total capital assets being depreciated         574,416,945         106,343,414         (21,962,659)         658,797,700           Less accumulated depreciation for:         8         318,607,044         20,074,090         (98,568)         207,582,566           Equipment         29,975,299         5,321,011         (1,991,722)         33,304,588           Total accumulated depreciation         217,582,343         25,395,101         (2,090,290)         240,887,154           Total capital assets being depreciated, net         356,834,602         80,948,313         (19,872,369)         417,910,546           Governmental activities capital assets, net         841,350,182         \$123,365,245         \$(98,998,046)         \$465,717,381           Business-type activities:           Capital assets not being depreciated:           Land         \$2,544,504         \$-         \$-         \$-         \$2,544,504           Construction in progress         26,903,733         15,459,931         (31,262,357)         11,101,307           Total capital assets not being depreciated         29,448,237         15,459,931         (31,262,357)         13,645,811           Capital assets being depreciated         26,0057,676         25,762,863         -         285,820,539           Equipment	Buildings and improvements	529,074,646	101,255,581	(19,784,545)	610,545,682	
Less accumulated depreciation for:         Buildings and improvements         187,607,044         20,074,090         (98,568)         207,582,566           Equipment         29,975,299         5,321,011         (1,991,722)         33,304,588           Total accumulated depreciation         217,582,343         25,395,101         (2,090,290)         240,887,154           Total capital assets being depreciated, net         356,834,602         80,948,313         (19,872,369)         417,910,546           Governmental activities capital assets, net         441,350,182         \$123,365,245         \$(98,998,046)         \$465,717,381           Business-type activities:           Capital assets not being depreciated:           Land         \$2,544,504         \$-         \$-         \$-         \$2,544,504           Construction in progress         26,903,733         15,459,931         (31,262,357)         11,101,307           Total capital assets being depreciated:         29,448,237         15,459,931         (31,262,357)         13,645,811           Capital assets being depreciated:           Buildings and improvements         260,057,676         25,762,863         -         285,820,539           Equipment         6,902,964         1,212,594         (466,844)         7,648,714     <	Equipment	45,342,299	5,087,833	(2,178,114)	48,252,018	
Buildings and improvements         187,607,044         20,074,090         (98,568)         207,582,566           Equipment         29,975,299         5,321,011         (1,991,722)         33,304,588           Total accumulated depreciation         217,582,343         25,395,101         (2,090,290)         240,887,154           Total capital assets being depreciated, net         356,834,602         80,948,313         (19,872,369)         417,910,546           Governmental activities capital assets, net         \$441,350,182         \$123,365,245         \$98,998,046         \$465,717,381           Business-type activities:           Capital assets not being depreciated:           Land         \$2,544,504         \$         \$         \$         \$2,544,504           Construction in progress         26,903,733         15,459,931         (31,262,357)         11,101,307           Total capital assets not being depreciated         29,448,237         15,459,931         (31,262,357)         13,645,811           Capital assets being depreciated:           Buildings and improvements         260,057,676         25,762,863         -         285,820,539           Equipment         6,902,964         1,212,594         (466,844)         7,648,714           Total capital assets	Total capital assets being depreciated	574,416,945	106,343,414	(21,962,659)	658,797,700	
Equipment         29,975,299         5,321,011         (1,991,722)         33,304,588           Total accumulated depreciation         217,582,343         25,395,101         (2,090,290)         240,887,154           Total capital assets being depreciated, net Governmental activities capital assets, net         356,834,602         80,948,313         (19,872,369)         417,910,546           Business-type activities:         841,350,182         \$123,365,245         \$(98,998,046)         \$465,717,381           Business-type activities:         82,544,504         \$1,22,544,504         \$1,22,544,504         \$1,22,544,504         \$1,22,544,504         \$1,22,544,504         \$1,245,931 <td< td=""><td>Less accumulated depreciation for:</td><td></td><td></td><td></td><td></td></td<>	Less accumulated depreciation for:					
Total accumulated depreciation         217,582,343         25,395,101         (2,090,290)         240,887,154           Total capital assets being depreciated, net Governmental activities capital assets, net         356,834,602         80,948,313         (19,872,369)         417,910,546           Business-type activities:         \$441,350,182         \$123,365,245         (98,998,046)         \$465,717,381           Business-type activities:         Sapital assets not being depreciated:         Sapital assets depreciated:         Sa	Buildings and improvements	187,607,044	20,074,090	(98,568)	207,582,566	
Total capital assets being depreciated, net Governmental activities capital assets, net         356,834,602         80,948,313         (19,872,369)         417,910,546           Business-type activities:         Capital assets not being depreciated:           Land         \$ 2,544,504         \$ - \$ - \$ 2,544,504         \$ - \$ 2,544,504           Construction in progress         26,903,733         15,459,931         (31,262,357)         11,101,307           Total capital assets not being depreciated         29,448,237         15,459,931         (31,262,357)         13,645,811           Capital assets being depreciated:         Buildings and improvements         260,057,676         25,762,863         - 285,820,539           Equipment         6,902,964         1,212,594         (466,844)         7,648,714           Total capital assets being depreciated         266,960,640         26,975,457         (466,844)         293,469,253           Less accumulated depreciation for:         Building and improvements         62,882,027         8,964,034         - 72,342,341           Equipment         5,628,852         521,134         (425,993)         5,227,713           Total accumulated depreciation         68,510,879         9,485,168         (425,993)         77,570,054           Total capital assets being depreciated, net         198,449,761 </td <td>Equipment</td> <td>29,975,299</td> <td>5,321,011</td> <td>(1,991,722)</td> <td>33,304,588</td>	Equipment	29,975,299	5,321,011	(1,991,722)	33,304,588	
Governmental activities capital assets, net         \$ 441,350,182         \$ 123,365,245         \$ (98,998,046)         \$ 465,717,381           Business-type activities:           Capital assets not being depreciated:           Land         \$ 2,544,504         \$ - \$ - \$ 2,544,504           Construction in progress         26,903,733         15,459,931         (31,262,357)         11,101,307           Total capital assets not being depreciated         29,448,237         15,459,931         (31,262,357)         13,645,811           Capital assets being depreciated:         260,057,676         25,762,863         - 285,820,539           Equipment         6,902,964         1,212,594         (466,844)         7,648,714           Total capital assets being depreciated         266,960,640         26,975,457         (466,844)         293,469,253           Less accumulated depreciation for:         8,964,034         - 72,342,341           Equipment         5,628,852         521,134         (425,993)         5,227,713           Total accumulated depreciation         68,510,879         9,485,168         (425,993)         77,570,054           Total capital assets being depreciated, net         198,449,761         17,490,289         (40,851)         215,899,199	Total accumulated depreciation	217,582,343	25,395,101	(2,090,290)	240,887,154	
Business-type activities:           Capital assets not being depreciated:         S         2,544,504         \$         \$         \$         2,544,504           Land         \$         2,544,504         \$         -         \$         2,544,504           Construction in progress         26,903,733         15,459,931         (31,262,357)         11,101,307           Total capital assets not being depreciated         29,448,237         15,459,931         (31,262,357)         13,645,811           Capital assets being depreciated:         8         260,057,676         25,762,863         -         285,820,539           Equipment         6,902,964         1,212,594         (466,844)         7,648,714           Total capital assets being depreciated         266,960,640         26,975,457         (466,844)         293,469,253           Less accumulated depreciation for:         8,964,034         -         72,342,341           Equipment         5,628,852         521,134         (425,993)         5,227,713           Total accumulated depreciation         68,510,879         9,485,168         (425,993)         77,570,054           Total capital assets being depreciated, net         198,449,761         17,490,289         (40,851)         215,899,199	Total capital assets being depreciated, net	356,834,602	80,948,313	(19,872,369)	417,910,546	
Capital assets not being depreciated:           Land         \$ 2,544,504         \$ -         \$ -         \$ 2,544,504           Construction in progress         26,903,733         15,459,931         (31,262,357)         11,101,307           Total capital assets not being depreciated         29,448,237         15,459,931         (31,262,357)         13,645,811           Capital assets being depreciated:         8         8         25,762,863         -         285,820,539           Equipment         6,902,964         1,212,594         (466,844)         7,648,714           Total capital assets being depreciated         266,960,640         26,975,457         (466,844)         293,469,253           Less accumulated depreciation for:         8,964,034         -         72,342,341           Equipment         5,628,852         521,134         (425,993)         5,227,713           Total accumulated depreciation         68,510,879         9,485,168         (425,993)         77,570,054           Total capital assets being depreciated, net         198,449,761         17,490,289         (40,851)         215,899,199	Governmental activities capital assets, net	\$ 441,350,182	\$ 123,365,245	\$ (98,998,046)	\$ 465,717,381	
Land         \$ 2,544,504         \$ -         \$ -         \$ 2,544,504           Construction in progress         26,903,733         15,459,931         (31,262,357)         11,101,307           Total capital assets not being depreciated         29,448,237         15,459,931         (31,262,357)         13,645,811           Capital assets being depreciated:         8         8         285,820,539         25,762,863         -         285,820,539           Equipment         6,902,964         1,212,594         (466,844)         7,648,714           Total capital assets being depreciated         266,960,640         26,975,457         (466,844)         293,469,253           Less accumulated depreciation for:         8,964,034         -         72,342,341           Equipment         5,628,852         521,134         (425,993)         5,227,713           Total accumulated depreciation         68,510,879         9,485,168         (425,993)         77,570,054           Total capital assets being depreciated, net         198,449,761         17,490,289         (40,851)         215,899,199	Business-type activities:					
Construction in progress         26,903,733         15,459,931         (31,262,357)         11,101,307           Total capital assets not being depreciated         29,448,237         15,459,931         (31,262,357)         13,645,811           Capital assets being depreciated:         8         8         285,820,539         285,820,539         285,820,539           Equipment         6,902,964         1,212,594         (466,844)         7,648,714           Total capital assets being depreciated         266,960,640         26,975,457         (466,844)         293,469,253           Less accumulated depreciation for:         8,964,034         -         72,342,341           Equipment         5,628,852         521,134         (425,993)         5,227,713           Total accumulated depreciation         68,510,879         9,485,168         (425,993)         77,570,054           Total capital assets being depreciated, net         198,449,761         17,490,289         (40,851)         215,899,199	Capital assets not being depreciated:					
Total capital assets not being depreciated         29,448,237         15,459,931         (31,262,357)         13,645,811           Capital assets being depreciated:         Buildings and improvements         260,057,676         25,762,863         - 285,820,539           Equipment         6,902,964         1,212,594         (466,844)         7,648,714           Total capital assets being depreciated         266,960,640         26,975,457         (466,844)         293,469,253           Less accumulated depreciation for:         Building and improvements         62,882,027         8,964,034         - 72,342,341           Equipment         5,628,852         521,134         (425,993)         5,227,713           Total accumulated depreciation         68,510,879         9,485,168         (425,993)         77,570,054           Total capital assets being depreciated, net         198,449,761         17,490,289         (40,851)         215,899,199	Land	\$ 2,544,504	\$ -	\$ -	\$ 2,544,504	
Capital assets being depreciated:         Buildings and improvements       260,057,676       25,762,863       - 285,820,539         Equipment       6,902,964       1,212,594       (466,844)       7,648,714         Total capital assets being depreciated       266,960,640       26,975,457       (466,844)       293,469,253         Less accumulated depreciation for:       8,964,034       - 72,342,341         Equipment       5,628,852       521,134       (425,993)       5,227,713         Total accumulated depreciation       68,510,879       9,485,168       (425,993)       77,570,054         Total capital assets being depreciated, net       198,449,761       17,490,289       (40,851)       215,899,199	Construction in progress	26,903,733	15,459,931	(31,262,357)	11,101,307	
Buildings and improvements         260,057,676         25,762,863         -         285,820,539           Equipment         6,902,964         1,212,594         (466,844)         7,648,714           Total capital assets being depreciated         266,960,640         26,975,457         (466,844)         293,469,253           Less accumulated depreciation for:         Building and improvements         62,882,027         8,964,034         -         72,342,341           Equipment         5,628,852         521,134         (425,993)         5,227,713           Total accumulated depreciation         68,510,879         9,485,168         (425,993)         77,570,054           Total capital assets being depreciated, net         198,449,761         17,490,289         (40,851)         215,899,199	Total capital assets not being depreciated	29,448,237	15,459,931	(31,262,357)	13,645,811	
Equipment         6,902,964         1,212,594         (466,844)         7,648,714           Total capital assets being depreciated         266,960,640         26,975,457         (466,844)         293,469,253           Less accumulated depreciation for:         8,964,034         -         72,342,341           Equipment         5,628,852         521,134         (425,993)         5,227,713           Total accumulated depreciation         68,510,879         9,485,168         (425,993)         77,570,054           Total capital assets being depreciated, net         198,449,761         17,490,289         (40,851)         215,899,199	Capital assets being depreciated:					
Total capital assets being depreciated       266,960,640       26,975,457       (466,844)       293,469,253         Less accumulated depreciation for:       Building and improvements       62,882,027       8,964,034       -       72,342,341         Equipment       5,628,852       521,134       (425,993)       5,227,713         Total accumulated depreciation       68,510,879       9,485,168       (425,993)       77,570,054         Total capital assets being depreciated, net       198,449,761       17,490,289       (40,851)       215,899,199	Buildings and improvements	260,057,676	25,762,863	-	285,820,539	
Less accumulated depreciation for:         Building and improvements       62,882,027       8,964,034       -       72,342,341         Equipment       5,628,852       521,134       (425,993)       5,227,713         Total accumulated depreciation       68,510,879       9,485,168       (425,993)       77,570,054         Total capital assets being depreciated, net       198,449,761       17,490,289       (40,851)       215,899,199	Equipment	6,902,964	1,212,594	(466,844)	7,648,714	
Building and improvements       62,882,027       8,964,034       -       72,342,341         Equipment       5,628,852       521,134       (425,993)       5,227,713         Total accumulated depreciation       68,510,879       9,485,168       (425,993)       77,570,054         Total capital assets being depreciated, net       198,449,761       17,490,289       (40,851)       215,899,199	Total capital assets being depreciated	266,960,640	26,975,457	(466,844)	293,469,253	
Equipment         5,628,852         521,134         (425,993)         5,227,713           Total accumulated depreciation         68,510,879         9,485,168         (425,993)         77,570,054           Total capital assets being depreciated, net         198,449,761         17,490,289         (40,851)         215,899,199	Less accumulated depreciation for:					
Total accumulated depreciation         68,510,879         9,485,168         (425,993)         77,570,054           Total capital assets being depreciated, net         198,449,761         17,490,289         (40,851)         215,899,199	Building and improvements	62,882,027	8,964,034	-	72,342,341	
Total capital assets being depreciated, net 198,449,761 17,490,289 (40,851) 215,899,199	Equipment	5,628,852	521,134	(425,993)	5,227,713	
	Total accumulated depreciation	68,510,879	9,485,168	(425,993)	77,570,054	
Business-type activities capital assets, net \$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	Total capital assets being depreciated, net	198,449,761	17,490,289	(40,851)	215,899,199	
	Business-type activities capital assets, net	\$ 227,897,998	\$ 32,950,220	\$ (31,303,208)	\$ 229,545,010	

### IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

### E. CAPITAL ASSETS (CONTINUED)

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

\$ 1,058,922
3,603,321
17,716,591
3,016,267
\$ 25,395,101
\$ 9,302,647
182,521
\$ 9,485,168

Major construction contracts in progress from inception to September 30, 2009, consisted of the following:

		Expended		
	Project	to		Future
	Authorization	9/30/2009	Committed	Financing
Projects funded principally by				
general obligation debt -				
Parks and recreation facilities	\$ 14,293,740	\$ 14,293,740	\$ -	None
Parks, public safety, streets and				
public service facilities	72,119,807	44,243,579	27,876,228	None
Municipal complex, parkland				
and streets	10,584,262	10,584,262	-	None
Municipal complex, public safety				
and street improvements	18,700,002	13,968,890	4,731,112	None
Self-financed construction	81,133,686	76,780,808	4,352,878	None
Round Rock Transportation System-				
road improvements	179,811,572	126,710,968	53,100,604	None
Convention Center Complex	951,223	951,223		None
	\$ 377,594,292	\$ 287,533,470	\$ 90,060,822	
Projects funded by revenue bonds				
and developer contributions:				
Utility line improvements	\$ 2,235,058	\$ 1,680,092	\$ 554,966	None
Self-financed construction	75,501,336	60,293,259	15,208,077	None
	\$ 77,736,394	\$ 61,973,351	\$ 15,763,043	

### IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

### F. LONG-TERM DEBT

The following is a summary of long-term debt transactions, including current portion of the City for the year ended September 30, 2009:

	Balance		Balance			
	October 1,		Refundings/	September 30,	Due within	
	2008	Additions	Retirements	2009	one year	
Governmental Activities						
General obligation bonds	\$ 120,060,000	\$ -	\$ (4,335,000)	\$ 115,725,000	\$ 4,420,000	
Certificates of obligation	15,300,000	-	(825,000)	14,475,000	945,000	
Hotel tax revenue bonds	8,575,000	-	(360,000)	8,215,000	370,000	
State infrastructure bank loans	38,659,532	-	(3,086,020)	35,573,512	3,217,236	
Sales tax revenue bonds	20,215,000	-	(1,180,000)	19,035,000	1,230,000	
Plus deferred amount:						
For issuance premium	2,724,382	-	(191,010)	2,533,372	191,010	
For issuance discount	(225,183)	-	13,680	(211,503)	(13,679)	
Lease purchase payable	3,650,054	1,505,390	(1,030,662)	4,124,782	1,339,570	
Compensated absences	3,409,808	2,713,195	(2,457,648)	3,665,355	2,461,375	
Other post-employment benefits	-	566,185	(196,000)	370,185		
Total governmental activities	212,368,593	4,784,770	(13,647,660)	203,505,703	14,160,512	
Business-Type Activities						
Revenue bonds	8,290,000	3,585,000	(320,000)	11,555,000	555,000	
Compensated absences	287,883	267,036	(232,797)	322,122	247,310	
Other post-employment benefits	-	73,815	_	73,815	-	
Total business-type activities	8,577,883	3,925,851	(552,797)	11,950,937	802,310	
Total government	\$ 220,946,476	\$ 8,710,621	\$ (14,200,457)	\$ 215,456,640	\$ 14,962,822	

### IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

### F. LONG-TERM DEBT (CONTINUED)

Long-term debt at September 30, 2009 is comprised of the following:

	Governmental	Business-type	
General Obligation Bonds:	Activities	Activities	
\$ 45,465,000 2002 GO and refunding bonds due in annual installments			
of \$ 315,000 to \$ 2,495,000 through 2027; interest at 3.25% to 5.5%	\$ 27,205,000	\$ -	
\$ 31,945,000 2004 GO and refunding bonds due in annual installments	\$ 27,203,000	Φ -	
of \$ 60,000 to \$ 2,470,000 through 2024; interest at 2.0% to 5.25%	27,830,000		
\$ 19,915,000 2005 refunding bonds due in annual installments	27,030,000	-	
of \$ 100,000 to \$ 2,275,000 through 2022; interest at 2.25% to 5%	18,110,000	_	
\$ 44,770,000 2007 GO and refunding bonds due in annual installments	10,110,000		
of \$ 720,000 to \$ 3,455,000 through 2032; interest at 4.0% to 5.0%	42,580,000	_	
Total General Obligation Bonds	115,725,000	_	
Certificates of Obligation:			
\$ 10,750,000 2000 certificates due in annual installments of			
\$ 100,000 to \$ 405,000 through 2010; interest at			
5.00% to 5.5%	405,000	-	
\$ 14,915,000 2007 Combination tax and revenue certificates of			
obligation due in installments of \$ 375,000 to \$ 1,100,000			
through 2027; interest at 4.0% to 4.625%	14,070,000		
Total Certificates of Obligation	14,475,000	-	
State Infrastructure Bank Loans:			
\$ 16,000,000 2000 note due in annual installments of			
\$ 1,500,081 through 2015 including interest at 4.6%	7,712,325	-	
\$ 15,000,000 2002 loan due in annual installments of			
\$ 1,153,142 through 2016 including interest at 4.5%	6,667,696	-	
\$ 7,000,000 note due in annual installments of \$ 557,759 through			
2021 including interest at 4%	5,980,746	-	
\$ 16,000,000 2008 note due in annual installments of \$ 1,459,255			
through 2023 including interest at 4.2%	15,212,745	-	
Total State Infrastructure Bank Loans	35,573,512		
Hotel Tax Revenue Bonds:			
\$ 8,920,000 2007 refunding bonds due in annual installments of			
\$ 345,000 to \$ 690,000 through 2025; interest at 4.0% to 4.5%	8,215,000	-	
Total Hotel Tax Revenue Bonds	8,215,000	-	

### IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

### F. LONG-TERM DEBT (CONTINUED)

	Governmental Activities	Business-type Activities
Utility System Revenue Bonds:		
\$ 12,000,000 2006 bonds due in annual installments of		
\$ 365,000 to \$ 835,000 through 2026; interest at 2.2-2.95%	\$ -	\$ 11,555,000
Total Utility System Revenue Bonds	-	11,555,000
Sales Tax Revenue Bonds:		
\$ 25,890,000 2001 bonds due in annual installments of		
\$ 915,000 to \$ 1,460,000 through 2015; interest at 3.9-5.0%	7,825,000	-
\$ 11,505,000 2006 refunding bonds due in annual installments of		
\$ 60,000 to \$ 1,980,000 through 2021; interest at 4.0-4.5%	11,210,000	_
Total Sales Tax Revenue Bonds	19,035,000	-
Compensated absences	3,665,355	322,122
Other post-employment benefits	370,185	73,815
Issuance premium	2,533,372	_
Issuance discount	(211,503)	_
Lease purchases payable:		
\$ 5,505,390 leases due in semi annual installments of		
\$ 735,347 including interest ranging from 2.99% -3.87% due		
in 2014. The lease obligation is funded with general revenue		
sources. Equipment under capital lease totaled \$ 5,505,390		
at September 30, 2009	4,124,782	
Total primary government debt	\$ 203,505,703	\$ 11,950,937

The annual requirements to amortize bonded, certificates of obligation, loan and lease debt at September 30, 2009, including interest, are as follows:

### **Governmental Activities:**

Year Ended September 30,		 al and Certifica f Obligation Debt	ites	S	
	 Principal	 Interest			Total
2010	\$ 5,365,000	\$ 6,188,438		\$	11,553,438
2011	5,755,000	5,951,535			11,706,535
2012	5,980,000	5,709,973			11,689,973
2013	6,245,000	5,450,956			11,695,956
2014	6,545,000	5,152,306			11,697,306
2015-2019	37,555,000	20,908,460			58,463,460
2020-2024	37,325,000	11,481,042			48,806,042
2025-2029	19,150,000	3,885,155			23,035,155
2030-2032	6,280,000	 638,500			6,918,500
	\$ 130,200,000	\$ 65,366,365		\$	195,566,365

### IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

### F. LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued):

Year Ended September 30,         Infrastructure Bank Loans           Principal         Interest         Total           2010         \$ 3,217,236         \$ 1,532,978         \$ 4,750,214           2011         3,358,703         1,391,510         4,750,213           2012         3,506,407         1,243,807         4,750,214           2013         3,660,621         1,089,594         4,750,215           2014         3,821,633         928,580         4,750,213           2015-2019         11,540,602         2,577,310         14,117,503           2016-2023         6,468,310         637,053         7,105,363           \$ 35,573,512         \$ 9,400,832         \$ 44,974,344           Year Ended September 30,         Hotel Tax Revenue           Principal         Interest         Total           Year Ended September 30,         Hotel Tax Revenue           Principal         Interest         Total           Year Ended September 30,         \$ 370,000         \$ 332,836         \$ 702,836           2012         405,000         317,636         706,736           2013         420,000         285,236         705,236					State		
Principal         Interest         Total           2010         \$ 3,217,236         \$ 1,532,978         \$ 4,750,214           2011         3,358,703         1,391,510         4,750,213           2012         3,506,407         1,243,807         4,750,214           2013         3,660,621         1,089,594         4,750,213           2015-2019         11,540,602         2,577,310         14,117,912           2020-2023         6,468,310         637,053         7,105,363           \$ 35,573,512         \$ 9,400,832         \$ 44,974,344           Year Ended September 30,         Hotel Tax Revenue           Principal         Interest         Total           2010         \$ 370,000         \$ 332,836         \$ 702,836           2011         390,000         317,636         707,636           2012         405,000         301,736         706,736           2013         420,000         285,236         705,236           2014         440,000         268,036         708,036           2015-2019         2,470,000         1,056,981         3,523,448           2025         690,000         15,525         705,525           \$ 8,215,000				I	nfrastructure		
2010	Year Ended September 30,				Bank Loans		
2011   3,358,703   1,391,510   4,750,213		-	Principal		Interest		Total
2011   3,358,703   1,391,510   4,750,213	2010	\$	3 217 236	\$	1 532 978	\$	4 750 214
2012   3,506,407   1,243,807   4,750,214		Ψ		ν Ψ		Ψ	
2013   3,660,621   1,089,594   4,750,215							
2014   3,821,633   928,580   4,750,213							
Total   Principal   11,540,602   2,577,310   14,117,912					. ,		
2020-2023         6,468,310         637,053         7,105,363           Year Ended September 30,         Hotel Tax Revenue           Principal         Interest         Total           2010         \$ 370,000         \$ 332,836         \$ 702,836           2011         390,000         317,636         707,636           2012         405,000         301,736         706,736           2013         420,000         285,236         705,236           2014         440,000         268,036         708,036           2015-2019         2,470,000         1,056,981         3,526,981           2020-2024         3,030,000         493,448         3,523,448           2025         690,000         15,525         705,525           \$ 8,215,000         \$ 3,071,434         \$ 11,286,434           Year Ended September 30,           \$ 1,230,000         \$ 843,876         \$ 2,073,876           2011         1,280,000         790,326         2,070,0326           2012         1,345,000         727,026         2,072,026           2013         1,405,000         665,288         2,070,286           2014							
Year Ended September 30,         Hotel Tax Revenue           Principal         Interest         Total           2010         \$ 370,000         \$ 332,836         \$ 702,836           2011         390,000         317,636         707,636           2012         405,000         301,736         706,736           2013         420,000         285,236         705,236           2014         440,000         268,036         708,036           2015-2019         2,470,000         1,056,981         3,526,981           2025         690,000         15,525         705,525           \$ 8,215,000         \$ 3,071,434         \$ 11,286,434           Year Ended September 30,         Sales Tax         Revenue           Principal         Interest         Total           2010         \$ 1,230,000         \$ 843,876         \$ 2,073,876           2011         1,280,000         790,326         2,070,326           2012         1,345,000         727,026         2,072,026           2013         1,405,000         665,288         2,070,288           2014         1,475,000         599,114         2,074,114           2015-2019         8,425,000         1,937,080							
Principal         Interest         Total           2010         \$ 370,000         \$ 332,836         \$ 702,836           2011         390,000         317,636         707,636           2012         405,000         301,736         706,736           2013         420,000         285,236         705,236           2014         440,000         268,036         708,036           2015-2019         2,470,000         1,056,981         3,526,981           2020-2024         3,030,000         493,448         3,523,448           2025         690,000         15,525         705,525           \$ 8,215,000         \$ 3,071,434         \$ 11,286,434           Year Ended September 30,           Sales Tax Revenue         Revenue         Total           2010         \$ 1,230,000         \$ 843,876         \$ 2,073,876           2011         1,280,000         790,326         2,070,326           2012         1,345,000         727,026         2,072,026           2013         1,405,000         665,288         2,070,288           2014         1,475,000         599,114         2,074,114           2015-2019         8,425,000         1,937,080         10		\$		\$		\$	
Principal         Interest         Total           2010         \$ 370,000         \$ 332,836         \$ 702,836           2011         390,000         317,636         707,636           2012         405,000         301,736         706,736           2013         420,000         285,236         705,236           2014         440,000         268,036         708,036           2015-2019         2,470,000         1,056,981         3,526,981           2020-2024         3,030,000         493,448         3,523,448           2025         690,000         15,525         705,525           \$ 8,215,000         \$ 3,071,434         \$ 11,286,434           Year Ended September 30,           Sales Tax Revenue         Revenue         Total           2010         \$ 1,230,000         \$ 843,876         \$ 2,073,876           2011         1,280,000         790,326         2,070,326           2012         1,345,000         727,026         2,072,026           2013         1,405,000         665,288         2,070,288           2014         1,475,000         599,114         2,074,114           2015-2019         8,425,000         1,937,080         10						-	
2010         \$ 370,000         \$ 332,836         \$ 702,836           2011         390,000         317,636         707,636           2012         405,000         301,736         706,736           2013         420,000         285,236         705,236           2014         440,000         268,036         708,036           2015-2019         2,470,000         1,056,981         3,526,981           2020-2024         3,030,000         493,448         3,523,448           2025         690,000         15,525         705,525           \$ 8,215,000         \$ 3,071,434         \$ 11,286,434           Year Ended September 30,         Principal         Interest         Total           2010         \$ 1,230,000         \$ 843,876         \$ 2,073,876           2011         1,280,000         790,326         2,070,326           2012         1,345,000         727,026         2,072,026           2013         1,405,000         665,288         2,070,288           2014         1,475,000         599,114         2,074,114           2015-2019         8,425,000         1,937,080         10,362,080           2020-2021         3,875,000         263,474         4	Year Ended September 30,			Hote	el Tax Revenue		
2011   390,000   317,636   707,636			Principal		Interest		Total
2011   390,000   317,636   707,636				-			
2012         405,000         301,736         706,736           2013         420,000         285,236         705,236           2014         440,000         268,036         708,036           2015-2019         2,470,000         1,056,981         3,526,981           2020-2024         3,030,000         493,448         3,523,448           2025         690,000         15,525         705,525           \$ 8,215,000         \$ 3,071,434         \$ 11,286,434           Year Ended September 30,         Principal         Interest         Total           2010         \$ 1,230,000         \$ 843,876         \$ 2,073,876           2011         1,280,000         790,326         2,070,326           2012         1,345,000         727,026         2,072,026           2013         1,405,000         665,288         2,070,288           2014         1,475,000         599,114         2,074,114           2015-2019         8,425,000         1,937,080         10,362,080           2020-2021         3,875,000         263,474         4,138,474		\$		\$		\$	702,836
2013         420,000         285,236         705,236           2014         440,000         268,036         708,036           2015-2019         2,470,000         1,056,981         3,526,981           2020-2024         3,030,000         493,448         3,523,448           2025         690,000         15,525         705,525           \$ 8,215,000         \$ 3,071,434         \$ 11,286,434           Year Ended September 30,           Sales Tax Revenue           Principal         Interest         Total           2010         \$ 1,230,000         \$ 843,876         \$ 2,073,876           2011         1,280,000         790,326         2,070,326           2012         1,345,000         727,026         2,072,026           2013         1,405,000         665,288         2,070,288           2014         1,475,000         599,114         2,074,114           2015-2019         8,425,000         1,937,080         10,362,080           2020-2021         3,875,000         263,474         4,138,474							707,636
2014         440,000         268,036         708,036           2015-2019         2,470,000         1,056,981         3,526,981           2020-2024         3,030,000         493,448         3,523,448           2025         690,000         15,525         705,525           \$ 8,215,000         \$ 3,071,434         \$ 11,286,434           Year Ended September 30,         Principal         Interest         Total           2010         \$ 1,230,000         \$ 843,876         \$ 2,073,876           2011         1,280,000         790,326         2,070,326           2012         1,345,000         727,026         2,072,026           2013         1,405,000         665,288         2,070,288           2014         1,475,000         599,114         2,074,114           2015-2019         8,425,000         1,937,080         10,362,080           2020-2021         3,875,000         263,474         4,138,474							706,736
2015-2019         2,470,000         1,056,981         3,526,981           2020-2024         3,030,000         493,448         3,523,448           2025         690,000         15,525         705,525           \$ 8,215,000         \$ 3,071,434         \$ 11,286,434           Year Ended September 30,           Sales Tax Revenue           Principal         Interest         Total           2010         \$ 1,230,000         \$ 843,876         \$ 2,073,876           2011         1,280,000         790,326         2,070,326           2012         1,345,000         727,026         2,072,026           2013         1,405,000         665,288         2,070,288           2014         1,475,000         599,114         2,074,114           2015-2019         8,425,000         1,937,080         10,362,080           2020-2021         3,875,000         263,474         4,138,474							705,236
2020-2024         3,030,000         493,448         3,523,448           2025         690,000         15,525         705,525           \$ 8,215,000         \$ 3,071,434         \$ 11,286,434           Year Ended September 30,         Sales Tax Revenue           Principal         Interest         Total           2010         \$ 1,230,000         \$ 843,876         \$ 2,073,876           2011         1,280,000         790,326         2,070,326           2012         1,345,000         727,026         2,072,026           2013         1,405,000         665,288         2,070,288           2014         1,475,000         599,114         2,074,114           2015-2019         8,425,000         1,937,080         10,362,080           2020-2021         3,875,000         263,474         4,138,474					· ·		708,036
2025         690,000         15,525         705,525           \$ 8,215,000         \$ 3,071,434         \$ 11,286,434           Year Ended September 30,         Sales Tax Revenue           Principal         Interest         Total           2010         \$ 1,230,000         \$ 843,876         \$ 2,073,876           2011         1,280,000         790,326         2,070,326           2012         1,345,000         727,026         2,072,026           2013         1,405,000         665,288         2,070,288           2014         1,475,000         599,114         2,074,114           2015-2019         8,425,000         1,937,080         10,362,080           2020-2021         3,875,000         263,474         4,138,474							
Sales Tax           Year Ended September 30,         Sales Tax         Revenue           Principal         Interest         Total           2010         \$ 1,230,000         \$ 843,876         \$ 2,073,876           2011         1,280,000         790,326         2,070,326           2012         1,345,000         727,026         2,072,026           2013         1,405,000         665,288         2,070,288           2014         1,475,000         599,114         2,074,114           2015-2019         8,425,000         1,937,080         10,362,080           2020-2021         3,875,000         263,474         4,138,474							
Year Ended September 30,         Sales Tax Revenue           Principal         Interest         Total           2010         \$ 1,230,000         \$ 843,876         \$ 2,073,876           2011         1,280,000         790,326         2,070,326           2012         1,345,000         727,026         2,072,026           2013         1,405,000         665,288         2,070,288           2014         1,475,000         599,114         2,074,114           2015-2019         8,425,000         1,937,080         10,362,080           2020-2021         3,875,000         263,474         4,138,474	2025		690,000	-	15,525		705,525
Year Ended September 30,         Revenue           Principal         Interest         Total           2010         \$ 1,230,000         \$ 843,876         \$ 2,073,876           2011         1,280,000         790,326         2,070,326           2012         1,345,000         727,026         2,072,026           2013         1,405,000         665,288         2,070,288           2014         1,475,000         599,114         2,074,114           2015-2019         8,425,000         1,937,080         10,362,080           2020-2021         3,875,000         263,474         4,138,474		\$	8,215,000		3,071,434	\$	11,286,434
Year Ended September 30,         Revenue           Principal         Interest         Total           2010         \$ 1,230,000         \$ 843,876         \$ 2,073,876           2011         1,280,000         790,326         2,070,326           2012         1,345,000         727,026         2,072,026           2013         1,405,000         665,288         2,070,288           2014         1,475,000         599,114         2,074,114           2015-2019         8,425,000         1,937,080         10,362,080           2020-2021         3,875,000         263,474         4,138,474					Sales Tax		
Principal         Interest         Total           2010         \$ 1,230,000         \$ 843,876         \$ 2,073,876           2011         1,280,000         790,326         2,070,326           2012         1,345,000         727,026         2,072,026           2013         1,405,000         665,288         2,070,288           2014         1,475,000         599,114         2,074,114           2015-2019         8,425,000         1,937,080         10,362,080           2020-2021         3,875,000         263,474         4,138,474	Year Ended September 30,						
2011       1,280,000       790,326       2,070,326         2012       1,345,000       727,026       2,072,026         2013       1,405,000       665,288       2,070,288         2014       1,475,000       599,114       2,074,114         2015-2019       8,425,000       1,937,080       10,362,080         2020-2021       3,875,000       263,474       4,138,474			Principal				Total
2011       1,280,000       790,326       2,070,326         2012       1,345,000       727,026       2,072,026         2013       1,405,000       665,288       2,070,288         2014       1,475,000       599,114       2,074,114         2015-2019       8,425,000       1,937,080       10,362,080         2020-2021       3,875,000       263,474       4,138,474	2010	\$	1.230.000	\$	843.876	\$	2.073.876
2012       1,345,000       727,026       2,072,026         2013       1,405,000       665,288       2,070,288         2014       1,475,000       599,114       2,074,114         2015-2019       8,425,000       1,937,080       10,362,080         2020-2021       3,875,000       263,474       4,138,474	2011	·		•	·	*	
2013       1,405,000       665,288       2,070,288         2014       1,475,000       599,114       2,074,114         2015-2019       8,425,000       1,937,080       10,362,080         2020-2021       3,875,000       263,474       4,138,474							
2014       1,475,000       599,114       2,074,114         2015-2019       8,425,000       1,937,080       10,362,080         2020-2021       3,875,000       263,474       4,138,474							
2015-2019       8,425,000       1,937,080       10,362,080         2020-2021       3,875,000       263,474       4,138,474							
2020-2021 3,875,000 263,474 4,138,474					•		
		\$		\$		\$	

### IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

### F. LONG-TERM DEBT (CONTINUED)

Year Ended September 30,

### **Governmental Activities (Continued):**

	Principal	Interest		Total	
2010 2011 2012 2013 2014	\$ 1,339,570 1,116,391 886,493 383,841 398,487	\$ 131,124 87,115 51,704 25,979 11,332	\$	1,470,694 1,203,506 938,197 409,820 409,819	
	\$ 4,124,782	\$ 307,254	\$	4,432,036	
Business-type Activities:					
Year Ended September 30,		ility System venue Bonds			
	Principal	Interest		Total	
2010 2011 2012 2013 2014 2015-2019 2020-2024 2025-2026	\$ 555,000 565,000 580,000 595,000 605,000 3,275,000 3,735,000 1,645,000	\$ 306,323 293,835 280,840 267,500 253,220 1,029,213 564,785 72,755	\$	861,323 858,835 860,840 862,500 858,220 4,304,213 4,299,785 1,717,755	
	\$ 11,555,000	\$ 3,068,471	\$	14,623,471	

Lease Purchases

In prior years, the City defeased certain revenue and general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 2009, \$ 30,680,000 of bonds outstanding are considered defeased.

Bond ordinances also provide for other limitations and restrictions. The City is in compliance with all significant limitations and restrictions contained in the various bond ordinances.

Bonds authorized and unissued at September 30, 2009, amounted to \$1,585,000.

### IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

### F. LONG-TERM DEBT (CONTINUED)

### (1) UTILITY REVENUE BONDS

The City is required by bond ordinances to pledge the net revenues of the waterworks and sewer system for the retirement of its outstanding revenue bonds, including interest thereon, and is required for such purposes to maintain debt service funds and bond reserve funds for all outstanding revenue bonds.

The debt service funds are restricted within the Enterprise Fund and require that net revenues of the City's waterworks and sewer system, after operating and maintenance expenses are deducted, be irrevocably pledged by providing equal monthly installments which will accumulate to the semi-annual principal and interest requirements as they become due.

The bond reserve funds for revenue bond retirement are also restricted within the Enterprise Fund. The City is in compliance with the requirement to maintain a combined reserve fund containing cash and investments in an amount equal to the average annual principal and interest requirements of all bonds then outstanding. The City also covenants under the bond indentures that reserve funds shall be invested in time deposits, certificates of deposit and direct or guaranteed obligations of the United States of America.

#### (2) HOTEL TAX REVENUE BONDS

The debt service fund for the hotel tax revenue bonds, aggregating \$ 556,579 at September 30, 2009, is reported in the governmental funds. Bond covenants require that the hotel tax revenues be irrevocably pledged by providing quarterly installments, which will accumulate to the semi-annual principal and interest requirements as they become due.

The bond reserve fund for hotel tax revenue bond retirement aggregates \$711,780 at September 30, 2009. This amount is in compliance with the requirements contained in the bond's Indenture Agreement. This agreement requires ½ of the average annual debt service requirements of the bonds in the reserve fund be deposited upon issuance of the bonds, with quarterly installments until the required reserve is attained.

### IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

### F. LONG-TERM DEBT (CONTINUED)

### (3) SALES TAX REVENUE BONDS

The Round Rock Transportation System Development Corporation issued the sales tax revenue bonds. The Corporation is a blended component unit of the City of Round Rock, which collects ½ of 1% of the sales tax collected by the State on its behalf. Although the Corporation is presented as a blended component unit, none of the City's assets are pledged to payment of the bonds. The bonds are secured solely by a pledge of the revenues of the Round Rock Transportation System Development Corporation.

The debt service fund for the sales tax revenue bonds, aggregating \$51,022 at September 30, 2009, is reported in the governmental funds. Bond covenants require that the Corporation's share of the sales tax is pledged as security for the bonds. The Corporation provides monthly installments that accumulate to the semi-annual principal and interest requirements as they become due.

A reserve fund was not established for these bonds. The Corporation purchased bond insurance to provide for payment of the principal and interest requirements in the event that pledged revenues are not sufficient.

### G. ACCRUED COMPENSATED ABSENCES

Changes to accrued compensated absences for the year ended September 30, 2009, were as follows:

		overnmental Activities	siness-Type Activities
Balance, October 1, 2008	\$	3,409,808	\$ 287,883
Additions		2,713,195	267,036
Reductions		(2,457,648)	(232,797)
Balance, September 30, 2009	_\$_	3,665,355	\$ 322,122

Accrued compensated absences due within one year were \$ 2,461,375 for governmental activities and \$ 247,310 for business-type activities. Liabilities for accrued compensated absences are funded from general revenue for the governmental activities and program revenues for the business-type activities.

### IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

### H. RESTRICTED ASSETS

The following summarizes restricted assets by purpose at September 30, 2009:

			]	Property		Sales	A	ccrued			
	C	ash & Cash				Taxes		Tax		Interest	
	1	Equivalents	I	nvestments	R	eceivable	Re	eceivable	Receivable		
Governmental Activities:							1				
Debt Service fund	\$	2,989,523	\$	-	\$	305,429	\$	-	\$	-	
Restricted by debt covenants-											
Round Rock Transportation											
System Development Corp.		27,527,310		16,088,741		-	1	,107,452		96,703	
2007 General Obligation Bond Fund		27,158,426		-		-		-		-	
Nonmajor capital projects funds		14,964,070		-						_	
<b>Total Governmental Activities</b>	\$	72,639,329	\$	16,088,741	\$	305,429	\$ 1	,107,452	\$	96,703	
	C	ash & Cash		Accounts		Loans					
	I	Equivalents	F	Receivable	Receivable						
<b>Business-Type Activities:</b>											
Water and sewer fund-											
Impact fees	\$	8,170,647	\$	114,720	\$	-					
Construction		4,845,370		-		-					
Customer deposits		1,284,163		-		-					
Revenue bond debt service		18,286		-		-					
Loans receivable					1,281,448						
<b>Total Business-Type Activities</b>	\$	14,318,466	\$	114,720	\$						

#### V. OTHER INFORMATION

### A. COMMITMENTS AND CONTINGENCIES

### **Tax Collections**

The City has a contract with the Round Rock Independent School District to collect City taxes and deposit monies to the City's accounts. For this service, the School District was paid a contract amount of \$7,533.

### **Commitments for Road Construction**

The City's component unit, the Round Rock Transportation System Development Corporation has entered into various commitments with the State of Texas, Department of Transportation relative to the construction of roadways.

### **Water Supply Agreements**

On May 2, 1978, the City entered into the "Water Supply Contract" with the Brazos River Authority ("the Authority"), providing the City the right to purchase 6,720 acre-feet of water per year from Lake Georgetown. A new agreement, "System Water Availability Agreement for Lake Georgetown" dated September 1, 2001, replaced that agreement. The new agreement revised the rate methodology from a tiered system rate, wherein rates change based upon the City's consumption, to a level system rate. For the fiscal year ended September 30, 2009, the City's cost under this contract was \$ 383,040.

On September 12, 1991, the City entered into the "Replacement Water Supply Agreement" with the Authority, wherein it received the right to purchase 8,134 acre-feet of water per year from Lake Stillhouse Hollow. Rights for an additional 10,000 acre-feet of water were acquired in the November 13, 1996 "System Water Supply Agreement". These agreements were replaced with the "System Water Availability Agreement for Lake Stillhouse Hollow" dated September 1, 2001. Under this agreement, the City purchases 18,134 acre-feet per year at the new system rate. For the fiscal year ended September 30, 2009, the City's cost under this contract was \$ 1,033,638.

Effective September 1, 2001, the City entered into a "System Water Availability Agreement for Colorado River Basin Water" with the Authority, wherein it received reserved water rights for an additional 6,944 acre-feet of water. Two subsequent agreements granted Round Rock rights to 13,984 additional acre-feet of water per year from the Colorado River Basin. For the fiscal year ended September 30, 2009, the City's cost under these contracts was \$ 1,524,417.

Future annual charges under the Water Supply Agreements will be based upon the system rate periodically set by the Authority.

### V. OTHER INFORMATION (CONTINUED)

### A. COMMITMENTS AND CONTINGENCIES (CONTINUED)

### **Regional Sewer Project**

In 1985, the City entered into a Wastewater Disposal Contract with Brushy Creek Water Control and Improvement District No. 1 of Williamson and Milam Counties ("District"), the City of Austin, and two Municipal Utility Districts. The agreement provided for the District to construct a pipeline and a treatment plant for the collection and treatment of wastewater. In subsequent years, the two Municipal Utility Districts withdrew from the project. In 1989, the City sold certain facilities to the District for approximately \$3,300,000. In 1991, the City and the City of Austin postponed further construction until such time that demand was greater.

In October 1996, as part of a plan for a regional wastewater collection, treatment and disposal system, the City and the City of Cedar Park entered into agreements with an alliance ("Alliance") formed by the Brazos River Authority ("BRA") and the Lower Colorado River Authority ("LCRA"). In 1998, LCRA acquired the treatment facilities of the City. BRA will operate and maintain the regional system to collect wastewater from the City and other participants for the purpose of treating and disposing of such wastewater. Based on demand, the Alliance will acquire and/or construct additional facilities. Acquisition and construction funding, as well as debt servicing, is the responsibility of the Alliance.

As a customer of the system, the City has an unconditional obligation to pay fees to the Alliance. Fees are calculated from capital and flow components based on reserved capacity and proportional flows. The capital charge component is paid for the term of Alliance bonds used to construct or purchase system facilities. The flow charge component continues as long as the City uses the system.

For the year ended September 30, 2009, the City has paid fees totaling \$9,866,007 for use of the regional facilities. As more specifically disclosed in the subsequent event footnote, the City repurchased the treatment facilities from the LCRA in November 2009.

### Other

The City is a defendant in a number of lawsuits arising principally from claims against the City for alleged improper actions by City employees. Total damages claimed are substantial; however, it has been the City's experience that such actions are usually dismissed or settled for amounts substantially less than the claimed amounts. The City Attorney estimates that the potential claims against the City not covered by various insurance policies would not materially affect the financial condition of the City.

### **Arbitrage Rebate**

Due to requirements of the Tax Reform Act of 1986, the City annually contracts for the computations of arbitrage rebate requirements for the City's various bond issues. At September 30, 2009, the potential rebate was calculated at \$0.

### V. OTHER INFORMATION (CONTINUED)

### A. COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### **Self-Funded Health Insurance Fund**

The City is self-insured for medical and dental claims. The self-insurance program is maintained in the Self-Funded Health Insurance Internal Service Fund. This program provides health benefit coverage in accordance with a pre-approved plan that establishes coverage limits per employee per year with a lifetime maximum of \$1,000,000 per employee. The City purchases commercial insurance for claims in excess of a contractual City liability limit. Additionally, commercial insurance covers claims in excess of an aggregate amount for the City up to \$1,000,000 per plan year. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years. The liability is estimated based upon claims settled within the next month. An analysis of claims activities is presented below:

Fiscal Year	Beginning Liability		Claims and Changes in Estimates		ctual Claim Payments	Balance at Year-End	
2000	\$	151,117	\$	1,915,324	\$ 2,000,304	\$	66,137
2001	\$	66,137	\$	2,952,298	\$ 2,336,888	\$	681,547
2002	\$	681,547	\$	2,966,461	\$ 3,533,818	\$	114,190
2003	\$	114,190	\$	3,642,536	\$ 3,594,523	\$	162,203
2004	\$	162,203	\$	4,554,772	\$ 4,449,644	\$	267,331
2005	\$	267,331	\$	4,906,037	\$ 4,948,949	\$	224,419
2006	\$	224,419	\$	3,786,901	\$ 3,765,573	\$	245,747
2007	\$	245,747	\$	4,013,488	\$ 4,039,777	\$	219,458
2008	\$	219,458	\$	4,732,890	\$ 4,857,563	\$	94,785
2009	\$	94,785	\$	5,859,761	\$ 5,582,812	\$	371,734

### **Deferred Compensation Plan**

The City offers its employees a deferred compensation plan that permits them to defer a portion of their current salary until future years. Any contributions made to the deferred compensation plan, in compliance with Section 457 of the Internal Revenue Code, are not available to employees until termination of employment, retirement, death or an unforeseen emergency. A third party administrator, Nationwide Retirement Solutions, administers contributions to the plan. Effective January 1997, and in compliance with the provisions of the IRC Section 457(g), the plan assets are in custodial accounts for the exclusive benefit of the plans' participants and beneficiaries. In accordance with GASB 32, the City provides neither administrative services nor investment advice to the plans and therefore, no fiduciary relationship exists between the City and the deferred compensation plan.

### V. OTHER INFORMATION (CONTINUED)

### A. COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### **Economic Development Agreement**

The City has entered into an economic development agreement with a computer manufacturer. Under the terms of the agreement, the City refunds approximately 31% of sales tax collections on sales made by the computer manufacturer in the State of Texas. The computer manufacturer represents approximately 41% of the City's sales tax collections for the year ended September 30, 2009.

#### **B. RISK MANAGEMENT**

The City is a member of the Texas Municipal League's Intergovernmental Risk Pool ("Pool"). The Pool was created for the purpose of providing coverage against risks, which are inherent in operating a political subdivision. The City pays annual premiums to the Pool for liability, property and workers' compensation coverage and all billed premiums upon the coverage have been paid. The City's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will provide reinsurance contracts through commercial companies. The Pool agrees to handle all liability, property and workers' compensation claims and provide any defense as is necessary. The Pool makes available to the City loss control services to assist the City in following a plan of loss control that may result in reduced losses. The City agrees that it will cooperate in instituting any and all reasonable loss control recommendations made by the Pool. The City has experienced no significant reductions in coverage through the Pool over the past year. There have been no insurance settlements exceeding Pool coverage for any of the past three years.

#### C. EMPLOYEE RETIREMENT PLAN

#### **Plan Description**

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

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

### V. OTHER INFORMATION (CONTINUED)

### C. EMPLOYEE RETIREMENT PLAN (CONTINUED)

#### Plan Description (Continued)

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

### Schedule of Plan Provisions

	Plan Year 2006	Plan Year 2007	Plan Year 2008
Employee deposit rate	7.0%	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1	2 to 1
Years required for vesting	5	5	5
Service retirement eligibility			
(expressed as age/years of service)	60/5, 0/20	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating	70% of CPI Repeating

#### **Contributions**

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Update Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

The City had the option to contribute a minimum amount equal to their annual renewal contribution less a "Phase In" of the increase from the change to the projected unit credit cost method in the 2007 valuation or to contribute the full rate. The City elected to contribute the full rate of 15.69% effective October 1, 2008. The fiscal year 2008 rate was 12.33%. The annual pension cost and net pension obligation/(asset) are as follows:

### V. OTHER INFORMATION (CONTINUED)

### C. EMPLOYEE RETIREMENT PLAN (CONTINUED)

**Contributions (Continued)** 

### Three-Year Trend Information

Fiscal Year Ending	nnual Pension Cost (APC)	Actu	al Contribution Made	Percentage of APC Contributed	t Pension ation (Asset)
2006	\$ 3,952,961	\$	3,952,961	100.0%	\$ -
2007	\$ 3,948,014	\$	3,948,014	100.0%	\$ -
2008	\$ 4,126,687	\$	4,126,687	100.0%	\$ -
2009	\$ 6,403,533	\$	6,403,533	100.0%	\$ _

The required contribution rates for fiscal year 2009 were determined as part of the December 31, 2006 and 2007 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2008, also follows:

### Schedule of Actuarial Valuations

Valuation Date	12/31/2006	12/31/2007	12/31/2008
Actuarial Cost Method	Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	25 years; open period	30 years; closed period	30 years; closed period
Assets Valuation Method	Amortized cost	Amortized cost	Amortized cost
Actuarial Assumptions:			
Investment Rate of Return	7.0%	7.0%	7.5%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service
Includes Inflation at	3.0%	3.0%	3.0%
Cost-of-Living Adjustments	NA	2.1%	2.1%

### V. OTHER INFORMATION (CONTINUED)

### C. EMPLOYEE RETIREMENT PLAN (CONTINUED)

#### **Contributions (Continued)**

The funded status as of December 31, 2008, the most recent actuarial valuation date, is as follows:

### Schedule of Funding Progress

Actuarial Valuation Date		12/31/2006	12/31/2007	12/31/2008	
Actuarial Value of Assets	\$	52,370,089	58,508,817	\$	64,975,919
Actuarial Accrued Liability (AAL)	\$	68,668,989	91,639,282	\$	101,269,149
Funded Ratio		76.3%	63.8%		64.2%
Unfunded AAL (UAAL)	\$	16,298,900	33,130,465	\$	36,293,230
Covered Payroll	\$	33,121,304	35,809,785	\$	40,713,738
UAAL as a Percentage of Covered					
Payroll		49.2%	92.5%		89.1%

### D. OTHER POST-EMPLOYMENT BENEFITS

In addition to the contributions made to the pension system as previously described, the City provides certain other post-employment benefits (OPEB) to its retirees. Other post-employment benefits include access to medical and dental insurance for the retiree and the retiree's family and \$1,000 of life insurance on the retiree only.

All retirees who are eligible to receive pension benefits under any of the City's pension system are eligible for other post-employment benefits. Retirees may also enroll eligible dependents under the medical and dental plan(s) in which they participate. Eligible dependents of the retiree include a legally married spouse and unmarried children dependent on the retiree for support. The children covered include children under age 25 that are: natural children; stepchildren; legally adopted children; children for whom the retiree has obtained court-ordered guardianship/conservatorship; qualified children placed pending adoption; grandchildren if claimed as a dependent on the retiree's or retiree spouse's federal income tax return; and eligible disabled children beyond 25 years of age, if covered prior to age 25. A surviving spouse of a deceased retiree may continue medical coverage until the date the surviving spouse remarries. A surviving spouse of a deceased retiree may continue dental coverage for 36 months by paying the entire premium plus a 2 percent administrative fee. Other surviving dependents of a deceased retiree may continue medical and dental coverage for 36 months by paying the entire premium plus a 2 percent administrative fee.

The City is under no obligation, statutory or otherwise, to offer other post-employment benefits or to pay any portion of the cost of other post-employment benefits to any retirees or their dependents. Allocation of city funds to pay other post-employment benefits or to make other post-employment benefits available is determined on an annual basis by the City Council as part of the budget approval process.

### V. OTHER INFORMATION (CONTINUED)

### D. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The City pays 100% of the retiree's life insurance premium. Group dental coverage is available to retirees and their eligible dependents. The retiree pays the full cost of the dental premium.

Other post-employment benefits are funded on a pay-as-you-go basis. The City recognizes the cost of providing these benefits as an expense and corresponding revenue in the Employee Benefit Fund. Medical, dental and life insurance claims and premiums are reported in the Employee Benefits Fund. The estimated pay-as-you-go cost of providing these benefits for 2,956 retirees was \$ 21.0 million in 2008 and \$ 16.9 million in 2007 for 2,800 retirees.

In fiscal year 2009, the City implemented GASB Statement No. 45 and recognized the following liability in the financial statements at September 30, 2009.

### **Annual Other OPEB Cost and Net OPEB Obligation**

The annual OPEB cost associated with the City's retiree benefits for the fiscal year ended September 30, 2009, is as follows:

	Governmental		Proprietary		Total	
Annual required contribution	\$	623,585	\$	73,815	\$	697,400
Interest on net OPEB obligation		-		-		-
Adjustment to annual required contribution		-				
Annual OPEB cost		623,585		73,815		697,400
Contributions made		(253,400)				(253,400)
Change in net OPEB obligation		370,185		73,815		444,000
Beginning net OPEB obligation				-		
Net OPEB obligation	\$	370,185	\$	73,815	\$	444,000

#### Schedule of Funding Progress

						Percentage
	Actuarial	Actuarial			Annual	of UAAL
Year Ended	Value of	Accrued		Funded	Covered	to Covered
September 30	Assets	Liability	UAAL(1)	Ratio	Payroll	Payroll
2008	\$ -	- \$ 6,938,000	0 \$ 6,938,000	0.0% \$	56,981,000	12.2%

(1) UAAL – Unfunded Actuarial Accrued Liability (Excess)

#### V. OTHER INFORMATION (CONTINUED)

### D. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The actuarial cost method and significant assumptions underlying the actuarial calculation are as follows:

	OPEB					
Actuarial Valuation Date	October 1, 2008					
Actuarial Cost Methods	Projected Unit Credit					
Amortization method	Level Percent Open					
Remaining Amortization Period	30 years					
Assumed Rate of						
Return on Investments	4.0%					
Health Care Cost Trend Rate	10% in 2009, decreasing 1% per year for five					

years to an ultimate trend of 5% in 2014

#### E. MUNICIPAL GOLF COURSE

### **Management Agreement**

Management of the City's golf course has been performed by a private operator in accordance with the terms of agreements dated 1989, 1995 and 2000. On May 1, 2005, the City entered into a New Management Agreement with the operator for a period of five years. Under conditions set forth in the New Management Agreement, the operator shall be paid a monthly base management fee. Additionally, the operator may earn a variable fee based upon gross receipts of the golf course. Gross receipts from operations are agreed to be used, in order, for monthly scheduled debt payments, payments to a capital reserve account, current operating expenses, an operating reserve, the base management fee, a 1% distribution to the City, the variable fee and any unpaid obligations limited by available gross receipts. Any remaining gross receipts are to be distributed to the City.

### F. SUBSEQUENT EVENT

In September 2009, the City along with the Cities of Austin and Cedar Park entered into a Purchase Agreement with the Lower Colorado River Authority (LCRA) to buy the Brushy Creek Regional Wastewater System. The Cities will own their proportional share of the wastewater transportation and treatment system.

On November 12, 2009, the City issued Utility System Revenue Bonds, Series 2009 totaling \$78,785,000. The proceeds from the sale of these bonds will be used to expand and improve the City's utility system, including the acquisition of an undivided interest in the Brushy Creek wastewater system assets currently owned by the LCRA, and to pay costs of issuance on the Bonds.

On December 8, 2009, the City purchased the wastewater system from the LCRA for a purchase price totaling \$ 77.3 million.

### CITY OF ROUND ROCK, TEXAS REQUIRED SUPPLEMENTAL INFORMATION SEPTEMBER 30, 2009

### SCHEDULE OF FUNDING PROGRESS

_ Plan	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	UAAL(1)	Funded Ratio	Annual Covered Payroll	Percentage of UAAL to Covered Payroll			
Texas M	unicipal Re	tirement Syst	em							
	12/31/06	\$ 52,370,089	\$ 68,668,989	\$ 16,298,900	76.3%	\$ 33,121,304	49.2%			
	12/31/07	58,508,817	91,639,282	33,130,465	63.8%	35,809,785	92.5%			
	12/31/08	64,975,919	101,269,149	36,293,230	64.2%	40,713,738	89.1%			
Other Po	Other Post-employment Benefits (Note)									
	9/30/2009	\$ -	\$ 6,938,000	\$ 6,938,000	0.0%	\$ 56,981,000	12.2%			

Note: GASB 45 was implemented in fiscal year 2009; therefore, three years information is not available.

### NONMAJOR GOVERNMENTAL FUNDS

### NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds account for specific resources, other than major capital projects that are restricted to expenditures for specified purposes.

### NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for major capital projects (other than those financed by the proprietary fund). General obligation bonds are the primary funding source for capital projects.

### CITY OF ROUND ROCK, TEXAS NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET SEPTEMBER 30, 2009

LIABILITIES         AND FUND BALANCES         Liabilities -       \$ 50,359       \$ 1,179,851       \$ 1,230,210         Accrued payroll       6,374       -       6,374         Interfund payables       5,491       -       5,491         Deferred revenue       -       1,619,403       1,619,403         Total liabilities       62,224       2,799,254       2,861,478         Fund balances -         Reserved for authorized construction       -       14,345,202       14,345,202	AGGETTO	Special Capital Revenue Projects					Total Nonmajor Governmental Funds	
Investments   1,007,734   - 1,007,734   Receivables -		Ф	6.004.256	Φ.	2 020 004	•	0 (10 0 (0	
Receivables - 1,007,754  Accounts and other 500,514 2,741 503,255  Accrued interest - 197,545 197,545  Assessments - 725,659 725,659  Restricted assets- Cash and cash equivalents - 14,964,070 14,964,070  Total assets \$8,312,604 \$18,728,019 \$27,040,623   LIABILITIES AND FUND BALANCES  Liabilities - 4  Accounts payable \$50,359 \$1,179,851 \$1,230,210  Accrued payroll 6,374 - 6,374  Interfund payables 5,491 - 5,491  Deferred revenue - 1,619,403 1,619,403  Total liabilities - 1,619,403 1,619,403  Total liabilities - 2,799,254 2,861,478  Fund balances - Reserved for authorized construction - 14,345,202 14,345,202	•	\$		\$	2,838,004	\$		
Accounts and other         500,514         2,741         503,255           Accrued interest         -         197,545         197,545           Assessments         -         725,659         725,659           Restricted assets-         -         14,964,070         14,964,070           Total assets         \$ 8,312,604         \$ 18,728,019         \$ 27,040,623           LIABILITIES           AND FUND BALANCES           Liabilities -         -         Accounts payable         \$ 50,359         \$ 1,179,851         \$ 1,230,210           Accrued payroll         6,374         -         6,374           Interfund payables         5,491         -         5,491           Deferred revenue         -         1,619,403         1,619,403           Total liabilities         62,224         2,799,254         2,861,478           Fund balances -           Reserved for authorized construction         -         14,345,202         14,345,202			1,007,734		-		1,007,734	
Accrued interest - 197,545 197,545 Assessments - 725,659 725,659 Restricted assets- Cash and cash equivalents - 14,964,070 14,964,070  Total assets \$ 8,312,604 \$ 18,728,019 \$ 27,040,623  LIABILITIES AND FUND BALANCES  Liabilities -  Accounts payable \$ 50,359 \$ 1,179,851 \$ 1,230,210 Accrued payroll 6,374 - 6,374 Interfund payables 5,491 - 5,491 Deferred revenue - 1,619,403 1,619,403 Total liabilities 62,224 2,799,254 2,861,478  Fund balances - Reserved for authorized construction - 14,345,202 14,345,202			500 514		0.541			
Assessments - 725,659 725,659  Restricted assets- Cash and cash equivalents - 14,964,070 14,964,070  Total assets \$8,312,604 \$18,728,019 \$27,040,623  LIABILITIES AND FUND BALANCES  Liabilities -  Accounts payable \$50,359 \$1,179,851 \$1,230,210 Accrued payroll 6,374 - 6,374 Interfund payables 5,491 - 5,491 Deferred revenue - 1,619,403 1,619,403 Total liabilities 62,224 2,799,254 2,861,478  Fund balances - Reserved for authorized construction - 14,345,202 14,345,202			500,514				•	
Restricted assets-         Cash and cash equivalents       -       14,964,070       14,964,070         Total assets       \$ 8,312,604       \$ 18,728,019       \$ 27,040,623         LIABILITIES         AND FUND BALANCES         Liabilities -       \$ 50,359       \$ 1,179,851       \$ 1,230,210         Accrued payroll       6,374       -       6,374         Interfund payables       5,491       -       5,491         Deferred revenue       -       1,619,403       1,619,403         Total liabilities       62,224       2,799,254       2,861,478         Fund balances -         Reserved for authorized construction       -       14,345,202       14,345,202			-					
Cash and cash equivalents         -         14,964,070         14,964,070           Total assets         \$ 8,312,604         \$ 18,728,019         \$ 27,040,623           LIABILITIES			-		725,659		725,659	
Total assets \$ 8,312,604 \$ 18,728,019 \$ 27,040,623  LIABILITIES AND FUND BALANCES  Liabilities -  Accounts payable \$ 50,359 \$ 1,179,851 \$ 1,230,210 Accrued payroll 6,374 - 6,374 Interfund payables 5,491 - 5,491 Deferred revenue - 1,619,403 1,619,403 Total liabilities 62,224 2,799,254 2,861,478  Fund balances - Reserved for authorized construction - 14,345,202 14,345,202					14064070		14064070	
LIABILITIES         AND FUND BALANCES         Liabilities -       \$ 50,359       \$ 1,179,851       \$ 1,230,210         Accrued payroll       6,374       -       6,374         Interfund payables       5,491       -       5,491         Deferred revenue       -       1,619,403       1,619,403         Total liabilities       62,224       2,799,254       2,861,478         Fund balances -         Reserved for authorized       -       14,345,202       14,345,202	Cash and cash equivalents	-			14,964,070		14,964,070	
AND FUND BALANCES  Liabilities -  Accounts payable \$ 50,359 \$ 1,179,851 \$ 1,230,210  Accrued payroll 6,374 - 6,374  Interfund payables 5,491 - 5,491  Deferred revenue - 1,619,403 1,619,403  Total liabilities 62,224 2,799,254 2,861,478  Fund balances -  Reserved for authorized construction - 14,345,202 14,345,202	Total assets	\$	8,312,604	\$	18,728,019	\$	27,040,623	
Liabilities -       Accounts payable       \$ 50,359       \$ 1,179,851       \$ 1,230,210         Accrued payroll       6,374       -       6,374         Interfund payables       5,491       -       5,491         Deferred revenue       -       1,619,403       1,619,403         Total liabilities       62,224       2,799,254       2,861,478         Fund balances -         Reserved for authorized construction       -       14,345,202       14,345,202								
Accounts payable       \$ 50,359       \$ 1,179,851       \$ 1,230,210         Accrued payroll       6,374       -       6,374         Interfund payables       5,491       -       5,491         Deferred revenue       -       1,619,403       1,619,403         Total liabilities       62,224       2,799,254       2,861,478    Fund balances - Reserved for authorized construction  - 14,345,202  14,345,202								
Accrued payroll       6,374       - 6,374         Interfund payables       5,491       - 5,491         Deferred revenue       - 1,619,403       1,619,403         Total liabilities       62,224       2,799,254       2,861,478         Fund balances -         Reserved for authorized construction       - 14,345,202       14,345,202					· · · · · · · · · · · · · · · · · · ·			
Interfund payables         5,491         -         5,491           Deferred revenue         -         1,619,403         1,619,403           Total liabilities         62,224         2,799,254         2,861,478           Fund balances -           Reserved for authorized construction         -         14,345,202         14,345,202	• •	\$	•	\$	1,179,851	\$		
Deferred revenue         -         1,619,403         1,619,403           Total liabilities         62,224         2,799,254         2,861,478           Fund balances -         Reserved for authorized construction           -         14,345,202         14,345,202	• •				-			
Total liabilities 62,224 2,799,254 2,861,478  Fund balances -  Reserved for authorized construction - 14,345,202 14,345,202			5,491		-		•	
Fund balances - Reserved for authorized construction - 14,345,202 14,345,202		•	-	-				
Reserved for authorized construction - 14,345,202 14,345,202	1 otal liabilities		62,224		2,799,254		2,861,478	
construction - 14,345,202 14,345,202	Fund balances -							
1 1,5 15,202	Reserved for authorized							
	construction		-		14,345,202		14.345.202	
1/3,924 - 1/3,924 - 1/3,924	Reserved for federal seizure		173,924		-		173,924	
Unreserved - undesignated 8,076,456 1,583,563 9,660,019	Unreserved - undesignated		•		1,583,563			
Total fund balances 8,250,380 15,928,765 24,179,145	Total fund balances					-		
		Minnesonoupunasia				***************************************		
Total liabilities and								
fund balances \$ 8,312,604 \$ 18,728,019 \$ 27,040,623	fund balances	\$	8,312,604	\$	18,728,019	\$	27,040,623	

# CITY OF ROUND ROCK, TEXAS NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED SEPTEMBER 30, 2009

D		Special Revenue		Capital Projects		Total Nonmajor Governmental Funds	
Revenues -					_		
Licenses, permits and fees	\$	210,739	\$	-	\$	210,739	
Fines and forfeitures		188,779		-		188,779	
Intergovernmental		432,775		-		432,775	
Hotel occupancy tax		2,394,145		-		2,394,145	
Investment and other		49,514		344,873		394,387	
Contributions		8,296		521,989		530,285	
Total revenues		3,284,248		866,862		4,151,110	
Expenditures -							
Current -							
General government		808,700		-		808,700	
Public safety		277,132		-		277,132	
Culture and recreation		631,164		-		631,164	
Capital projects				9,137,598		9,137,598	
Total expenditures		1,716,996		9,137,598		10,854,594	
Excess (deficiency) of							
revenues over expenditures		1,567,252		(8,270,736)		(6,703,484)	
Other financing sources /(uses) -							
Transfers in		-		636,000		636,000	
Transfers out		(1,916,168)		(668,632)		(2,584,800)	
Total other financing							
sources/(uses)	<b>6</b> 4444444444	(1,916,168)		(32,632)	•	(1,948,800)	
Net change in fund balances		(348,916)		(8,303,368)		(8,652,284)	
Fund balances as restated, October 1, 2008	No. of Contrast of	8,599,296		24,232,133		32,831,429	
Fund balances, September 30, 2009	\$	8,250,380	_\$	15,928,765	\$	24,179,145	



#### NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds account for specific resources, other than major capital projects that are restricted to expenditures for specified purposes.

**Street and Bridge Fund** – To account for funds due from improvements within the North Industrial Parkway Public Improvement District.

**Hotel** – **Motel Occupancy Tax Fund** – To account for the levy and use of the hotel – motel bed tax. Proceeds from this tax are to be used toward tourism, community events, cultural enhancements and promotion of the City.

**Police Fund** – To account for amounts received through drug enforcement actions.

Municipal Court Fund – To account for amounts received through child safety fines, court security, and court technology fees.

Landscape Fund – To account for amounts received through the City's landscape ordinance.

Community Development Block Grant Fund – To account for grant monies received for programs benefiting persons of low to moderate income.

**Annexation Fees Fund** – To account for amounts received through annexation and development agreements for specified improvements.

**Library Fund** – To account for contributions to the City's library for specific programs.

#### CITY OF ROUND ROCK, TEXAS NONMAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET SEPTEMBER 30, 2009

	Street and Bridge			Iotel-Motel Occupancy Tax	Police		Municipal Court		Landscape	
<u>ASSETS</u>	1									
Cash and cash equivalents Investments Receivables -	\$	-	\$	5,548,458 1,007,734	\$	177,310	\$	326,069	\$	575,843
Accounts and other				494,846						-
Total assets	\$	-	\$	7,051,038	\$	177,310	\$	326,069		575,843
<u>LIABILITIES</u> <u>AND FUND BALANCES</u>										
Liabilities -										
Accounts payable	\$	-	\$	33,317	\$	3,386	\$	2,750	\$	1,750
Accrued payroll		-		6,374		-		-		-
Interfund payable		-		5,491		- 2.206				- 1.550
Total liabilities			•	45,182		3,386		2,750		1,750
Fund balances -										
Reserved for federal seizure		-		-		173,924		-		-
Unreserved - undesignated				7,005,856		_		323,319		574,093
Total fund balances				7,005,856		173,924		323,319		574,093
Total liabilities and fund balances	\$	-	\$	7,051,038	\$	177,310	\$	326,069	\$	575,843
Tuna outanees	Ψ		Ψ	7,001,000	Ψ	177,510	Ψ	320,009	Ψ	5,5,045

Community Development Block Grant		A1	nnexation Fees	]	Library Fund		Total Nonmajor Special Revenue Funds		
\$	2,810	\$	158,886	\$	14,980	\$	6,804,356 1,007,734		
	5,668		_				500,514		
\$	8,478	\$	158,886	_\$_	14,980	\$	8,312,604		
\$	8,478 - - - 8,478	\$	- - -	\$	678 - - - 678	\$	50,359 6,374 5,491 62,224		
	0,470			•	0/8	***************************************	02,224		
	- - -		158,886 158,886		14,302 14,302	•	173,924 8,076,456 8,250,380		
\$	8,478	_\$	158,886	\$	14,980	\$	8,312,604		

# CITY OF ROUND ROCK, TEXAS NONMAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED SEPTEMBER 30, 2009

	Street and Bridge	Hotel-Motel Occupancy Tax	Police	Municipal Court	Landscape	
Revenues -						
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ 121,189	\$ 89,550	
Fines and forfeitures	-	-	188,779	-	-	
Intergovernmental	-	-	1,923	-	-	
Hotel occupancy tax	-	2,394,145	-	-	-	
Investment and other	2,842	37,737	1,280	1,283	5,613	
Contributions	-	2,316	-		5,685	
Total revenues	2,842	2,434,198	191,982	122,472	100,848	
Expenditures -						
Current-						
General government	-	-	-	61,433	315,195	
Public safety	-	-	277,132	-	-	
Culture and recreation		631,164				
Total expenditures		631,164	277,132	61,433	315,195	
Excess (deficiency) of						
revenues over expenditures	2,842	1,803,034	(85,150)	61,039	(214,347)	
Other financing sources /(uses) -						
Transfers out	(750,168)	(1,166,000)	_	<u>.</u>	-	
Total other financing						
sources/(uses)	(750,168)	(1,166,000)			_	
Net change in fund balance	(747,326)	637,034	(85,150)	61,039	(214,347)	
Fund balances, as restated,						
October 1, 2008	747,326	6,368,822	259,074	262,280	788,440	
Fund balances, September 30, 2009	\$ -	\$ 7,005,856	\$ 173,924	\$ 323,319	\$ 574,093	

			Total				
			Nonmajor				
Community			Special				
Development	Annexation	Library	Revenue				
Block Grant	Fees	Fund	Funds				
\$ -	\$ -	\$ -	\$ 210,739				
-	-	-	188,779				
430,852	-	-	432,775				
-	_	-	2,394,145				
-	696	63	49,514				
-		295	8,296				
430,852	696	358	3,284,248				
430,032	070		3,204,240				
430,852	-	1,220	808,700				
-	-	-	277,132				
_			631,164				
430,852	_	1,220	1,716,996				
,2							
_	696	(862)	1,567,252				
-		-	(1,916,168)				
_	_	_	(1,916,168)				
	•		(1,510,100)				
	696	(862)	(348,916)				
	150 100	15 161	9 500 206				
	158,190	15,164	8,599,296				
	\$ 158,886	\$ 14,302	\$ 8,250,380				



#### NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for major capital projects (other than those financed by the proprietary fund). General obligation bonds are the primary funding source for capital projects.

**Streets and Drainage Fund -** To account for street and drainage improvements in the Arterial II section of the City. Financing is provided by general resources.

**2004 General Obligation Bonds Fund** – To account for street, traffic safety and sidewalk improvement projects, improvements and equipment for police, fire and municipal office facilities.

**Park Development Fund** – To account for the development and improvements to various neighborhood parks. Financing is provided by general government resources.

**2007 Certificates of Obligation Fund** – To account for costs of various parks and recreational facilities and improvements including a portion of the construction of a swimming pool complex.

**2002 General Obligation Bonds Fund** – To account for costs of public service and public safety facilities and streets and related improvements.

**Convention Center Complex Fund** – To account for construction and expansion of convention center complex. Funding is provided by the 1999 Series Hotel Tax Revenue Bonds, hotel tax revenues and private contributions.

2000 Series Certificates of Obligation (Municipal Complex, Park Land & Streets Fund) – To account for costs of constructing municipal office buildings, improving streets, drainage, sidewalks, City parks and fire department facilities.

**Tourism Development Fund** – To account for the development of tourism. Funding is provided by hotel tax revenues.

#### CITY OF ROUND ROCK NONMAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET SEPTEMBER 30, 2009

		2004		
	Streets	General		2007
	and	Obligation	Park	Series
	Drainage	Bonds	Development	CO
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,226,737	\$ -	\$ 1,145,710	\$ -
Receivables -				
Accounts and other	2,741	-	-	-
Accrued interest	197,545	-	-	-
Assessments	725,659	-	-	-
Restricted assets-				
Cash and cash equivalents	-	8,154,086		763,349
Total assets	\$ 2,152,682	\$ 8,154,086	\$ 1,145,710	\$ 763,349
<u>LIABILITIES</u> <u>AND FUND BALANCES</u>				
Liabilities -				
Accounts payable	\$ -	\$ 358,383	\$ 95,426	\$ 12,988
Deferred revenue	725,659	-	893,744	-
Total liabilities	725,659	358,383	989,170	12,988
Fund balances -				
Reserved for authorized				
construction	-	7,795,703	_	750,361
Unreserved - unrestricted	1,427,023	, , , <u>-</u>	156,540	, -
Total fund balances	1,427,023	7,795,703	156,540	750,361
Total liabilities and				
fund balances	\$ 2,152,682	\$ 8,154,086	\$ 1,145,710	\$ 763,349

2002 General Obligation Bonds Fund		Convention Center Complex		 2000 Series CO		Fourism velopment Fund	Total Nonmajor Capital Projects Funds		
\$	-	\$	465,557	\$ -	\$	-	\$	2,838,004	
	- - -		- - -	- - -		- - -		2,741 197,545 725,659	
	4,345,818			 		1,700,817		14,964,070	
\$	4,345,818	\$	465,557	\$ -	\$	1,700,817	\$	18,728,019	
\$	704,647	\$	-	\$ -	\$	8,407	\$	1,179,851 1,619,403	
	704,647					8,407		2,799,254	
	2 (41 171		165.557			1 (02 410		14245.000	
	3,641,171		465,557	<u>-</u>		1,692,410		14,345,202 1,583,563	
	3,641,171		465,557	_	Name of the last o	1,692,410		15,928,765	
_\$	4,345,818	\$	465,557	\$ _		1,700,817	\$	18,728,019	

# CITY OF ROUND ROCK, TEXAS NONMAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED SEPTEMBER 30, 2009

	2004							
	Stre	ets	(	General				2007
	an	d	Ο	bligation		Park		Series
	Drain	nage	Bonds		Development			CO
Revenues -								
Investment and other	\$ 49	9,943	\$	195,888	\$	20,423	\$	13,408
Contributions	283	3,194				233,795		
Total revenues	338	3,137		195,888		254,218		13,408
Expenditures -								
Capital projects				2,437,793		233,795		2,173,572
Total expenditures		_		2,437,793		233,795		2,173,572
Excess (deficiency) of								
revenues over expenditures	338	3,137	(	2,241,905)		20,423		(2,160,164)
Other financing sources /(uses) -								
Transfers in		-		-		-		-
Transfers out		-		-		-		-
Total other financing sources/(uses)		_		-		-		-
Net change in fund balances	338	3,137	(.	2,241,905)		20,423		(2,160,164)
Fund balances, October 1, 2008	1,088	3,886	1	0,037,608	<b>E</b>	136,117		2,910,525
Fund balances, September 30, 2009	\$ 1,427	,023	\$	7,795,703	\$	156,540	\$	750,361

2002 General Obligation Bonds Fund	Convention Center Complex	2000 Series CO	Tourism Development Fund	Total Nonmajor Capital Projects Funds		
\$ 51,661 	\$ 1,758 -	\$ 3,549	\$ 8,243	\$ 344,873 521,989		
51,661	1,758	3,549	8,243	866,862		
4,229,088	40,290	6,511	16,549	9,137,598		
4,229,088	40,290	6,511	16,549	9,137,598		
(4,177,427)	(38,532)	(2,962)	(8,306)	(8,270,736)		
-	136,000	_	500,000	636,000		
	-	(668,632)	-	(668,632)		
<u> </u>	136,000	(668,632)	500,000	(32,632)		
(4,177,427)	97,468	(671,594)	491,694	(8,303,368)		
7,818,598	368,089	671,594	1,200,716	24,232,133		
\$ 3,641,171	\$ 465,557	\$ -	\$ 1,692,410	\$ 15,928,765		

# CITY OF ROUND ROCK, TEXAS PROJECT – LENGTH SCHEDULE OF CONSTRUCTION PROJECTS – ALL CAPITAL PROJECTS FUNDS BEGINNING OF PROJECTS TO SEPTEMBER 30, 2009

	8	reets and ainage	2007 Series GO	Park Development	2007 Series CO	Self- Financed Construction	
Total funding authorization			\$ 35,431,199	\$ 1,209,305	\$ 14,703,767	\$ 89,451,389	
Revenues and other financing sources -							
Intergovernmental	\$	-	\$ -	\$ 80,366	\$ -	\$ 1,551,131	
Contributions		-	10,780	394,181	-	10,910,514	
Investment and other		-	1,593,889	659,673	539,128	1,632,966	
Lease purchase proceeds		-	-	-	-	4,033,453	
Issuance of general obligation and other debt			24 475 000		14.015.000		
Transfers in		-	34,475,000	231,620	14,915,000	96,249,831	
Other sources/transfers		-	537,303	231,020	-	1,423,235	
	Ф.		¢ 26.616.072	e 1 265 040	C 15 454 120		
	<u> </u>	-	\$ 36,616,972	\$ 1,365,840	\$ 15,454,128	\$ 115,801,130	
Expenditures and other uses -							
Capital projects	\$	_	\$ 8,793,963	\$ 1,099,305	\$ 14,293,740	\$ 76,780,808	
Transfers out		_	350,288	110,000	-	8,317,703	
Other costs/transfers			495,303	·	410,027	-	
	\$		\$ 9,639,554	\$ 1,209,305	\$ 14,703,767	\$ 85,098,511	

	Round Rock ransportation									
	System	C	onvention		2000	2002		2004		Tourism
	evelopment		Center		Series	Series		Series	D	evelopment
	Corporation	(	Complex		CO	 GO	GO GO			Fund
\$	183,861,422		981,091	\$	11,411,403	\$ 37,823,501	\$	19,389,896	\$	334,465
\$	1,153,320 1,312,500 4,113,150	\$	- 402,549 44,524	\$	50,000 - 767,617	\$ 91,989 3,607,928	\$	- - 2,296,311	\$	45,743 52,132
	61,563,410 76,461,152		- 999,575		- 10,493,786 100,000	35,000,000 680,173		19,435,000 32,476		1,929,000
	-		-		-	-		690,600		-
\$	144,603,532	\$	1,446,648	\$	11,411,403	\$ 39,380,090	\$	22,454,387	\$	2,026,875
\$	126,710,968	\$	951,223	\$	10,584,262	\$ 35,449,616	\$	13,968,890	\$	334,465
	4,049,850		29,868		668,632	200.202		329,885		-
		-	-		158,509	 289,302		359,909		
_\$_	130,760,818	_\$_	981,091	_\$_	11,411,403	\$ 35,738,918	_\$_	14,658,684	\$	334,465



## SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

GENERAL, DEBT SERVICE AND NONMAJOR SPECIAL REVENUE FUNDS

## CITY OF ROUND ROCK, TEXAS GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

#### YEAR ENDED SEPTEMBER 30, 2009

### WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2008

				Variance -	•••	
			l Amounts	Positive	2008	
	Actual	Original	Final	(Negative)	Actual	
Revenues -						
Taxes and franchise -						
General property tax	\$ 17,626,151	\$ 17,586,000	\$ 17,586,000	\$ 40,151	\$ 14,762,456	
Penalty and interest	88,550	65,000	65,000	23,550	103,961	
City sales tax	45,764,630	49,025,000	47,652,700	(1,888,070)	51,162,510	
Franchise	6,213,263	5,800,000	5,800,000	413,263	5,748,332	
Bingo tax	26,953	28,000	28,000	(1,047)	26,015	
Mixed drink tax	288,786	232,000	232,000	56,786	260,165	
Total taxes and franchise	70,008,333	72,736,000	71,363,700	(1,355,367)	72,063,439	
Licenses, permits and fees -						
Building permits	310,593	350,000	350,000	(39,407)	395,509	
Other permits	18,665	25,000	25,000	(6,335)	20,632	
Fees	513,962	651,000	550,000	(36,038)	588,376	
Total licenses, permits and fees	843,220	1,026,000	925,000	(81,780)	1,004,517	
Charges for services -						
Trash collection fees	1,407,157	1,288,000	1,288,000	119,157	1,344,529	
Swimming pool fees	466,488	505,400	505,400	(38,912)	494,801	
Recreation program fees	1,815,756	1,943,374	1,774,274	41,482	1,946,514	
Filing and reproduction fees	16,195	16,000	16,000	195	16,557	
Other	51,619	16,000	16,000	35,619	93,485	
Total charges for services	3,757,215	3,768,774	3,599,674	157,541	3,895,886	
Fines and forfeitures	1,868,574	2,184,000	1,896,000	(27,426)	1,692,238	
Intergovernmental	629,025	367,000	367,000	262,025	548,575	
Investment and other -						
Investment income	2,519,055	2,063,500	2,063,500	455,555	3,070,617	
Other	2,173,196	1,543,000	1,543,000	630,196	1,982,202	
Total investment and other	4,692,251	3,606,500	3,606,500	1,085,751	5,052,819	
m . 1	04 =00 5:5		04 = 4 = 0 = :	40 =	0.4.0.55	

(CONTINUED)

81,757,874

40,744

84,257,474

83,688,274

81,798,618

Total revenues

## CITY OF ROUND ROCK, TEXAS GENERAL FUND

#### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL - CONTINUED YEAR ENDED SEPTEMBER 30, 2009

## WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2008

Variance -

		Budgeted Amounts			2008
	Actual	Original	Final	Positive (Negative)	Actual
Expenditures -	Actual	Original	- Fillal	(Negative)	Actual
Current -					
General government					
Executive -					
Personnel services	\$ 8,107,139	\$ 8,441,420	\$ 8,114,615	\$ 7,476	\$ 7,111,927
Contractual services	2,455,673	2,965,937	2,487,862	32,189	2,321,988
Supplies and materials	266,513	370,650	263,942	(2,571)	275,444
Other services and charges	10,440,509	11,450,745	10,455,055	14,546	11,539,019
Capital outlay	39,569	74,600	38,653	(916)	293,137
Total executive	21,309,403	23,303,352	21,360,127	50,724	21,541,515
Judicial -					
Personnel services	588,931	615,261	589,711	780	507,850
Contractual services	97,414	104,760	94,760	(2,654)	84,356
Supplies and materials	20,621	23,461	23,461	2,840	20,988
Other services and charges	5,260	7,521	7,521	2,261	4,251
Total judicial	712,226	751,003	715,453	3,227	617,445
Total general government	22,021,629	24,054,355	22,075,580	53,951	22,158,960
Public safety					
Police-					
Personnel services	17,654,721	17,311,541	17,654,809	88	15,622,870
Contractual services	1,050,985	1,541,197	1,043,175	(7,810)	912,741
Supplies and materials	1,293,913	1,598,147	1,209,623	(84,290)	1,253,949
Other services and charges	652,837	892,694	845,390	192,553	629,062
Capital outlay	791,836	788,418	714,840	(76,996)	1,490,799
Total police	21,444,292	22,131,997	21,467,837	23,545	19,909,421
Fire -					
Personnel services	10,976,519	11,241,754	10,980,310	3,791	10,316,705
Contractual services	309,761	365,888	324,888	15,127	290,419
Supplies and materials	847,802	940,416	785,535	(62,267)	802,748
Other services and charges	133,794	125,400	120,400	(13,394)	99,192
Capital outlay	110,301	207,670	64,731	(45,570)	174,835
Total fire	12,378,177	12,881,128	12,275,864	(102,313)	11,683,899
Total public safety	33,822,469	35,013,125	33,743,701	(78,768)	31,593,320

(CONTINUED)

## CITY OF ROUND ROCK, TEXAS GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL - CONTINUED YEAR ENDED SEPTEMBER 30, 2009

## WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2008

					Va	ariance -	
			 Budgeted	Amounts	I	Positive	2008
		Actual	Original	Final	(N	legative)	Actual
Expenditures - (cont'd)							
Current - (cont'd)							
Public works							
Administration -							
Personnel services	\$	3,604,002	\$ 3,774,923	3,607,399	\$	3,397	\$ 3,190,617
Contractual services		173,553	332,897	188,381		14,828	188,700
Supplies and materials		160,948	238,800	168,447		7,499	169,461
Other services and charges		36,289	62,547	39,047		2,758	28,477
Capital outlay		30,182	130,495	30,210		28	177,080
Total administration		4,004,974	 4,539,662	4,033,484		28,510	 3,754,335
Streets -							
Personnel services		2,551,813	2,529,059	2,551,887		74	2,235,341
Contractual services		1,350,147	4,979,597	1,379,541		29,394	1,183,771
Supplies and materials		770,904	875,577	760,227		(10,677)	645,328
Other services and charges		14,401	29,711	12,711		(1,690)	29,564
Capital outlay		117,575	206,405	119,450		1,875	274,521
Total streets	-	4,804,840	 8,620,349	4,823,816		18,976	 4,368,525
Maintenance shop -							
Personnel services		906,788	908,455	906,855		67	858,425
Contractual services		55,238	68,494	54,452		(786)	53,991
Supplies and materials		70,269	99,441	71,135		866	94,403
Other services and charges		7,778	15,000	7,750		(28)	8,394
Capital outlay		25,714	15,200	25,734		20	32,426
Total maintenance shop		1,065,787	 1,106,590	1,065,926		139	 1,047,639
Total public works		9,875,601	14,266,601	9,923,226		47,625	9,170,499

(CONTINUED)

## CITY OF ROUND ROCK, TEXAS GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL - CONTINUED

#### YEAR ENDED SEPTEMBER 30, 2009

Variance -

### WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2008

		Budgeted	d Amounts	Positive	2008
	Actual	Original	Final	(Negative)	Actual
Expenditures - (cont'd) Current - (cont'd) Culture and recreation Library -		- Cargaina			
Personnel services	\$ 1,606,026	\$ 1,611,951	\$ 1,604,077	\$ (1,949)	\$ 1,534,736
Contractual services	191,608	226,150	195,650	4,042	213,119
Supplies and materials	440,257	508,418	445,868	5,611	93,480
Other services and charges	102,381	119,258	94,258	(8,123)	89,249
Capital outlay	_	9,000	_		411,206
Total library	2,340,272	2,474,777	2,339,853	(419)	2,341,790
Parks and recreation -					
Personnel services	5,537,710	5,704,829	5,539,953	2,243	5,055,948
Contractual services	1,484,045	1,717,534	1,490,735	6,690	1,643,940
Supplies and materials	1,243,880	1,259,377	1,230,185	(13,695)	1,227,546
Other services and charges	175,307	214,136	179,212	3,905	198,552
Capital outlay	401,285	499,880	403,426	2,141	447,656
Total parks and recreation	8,842,227	9,395,756	8,843,511	1,284	8,573,642
Total culture and recreation	11,182,499	11,870,533	11,183,364	865	10,915,432
Total expenditures	76,902,198	85,204,614	76,925,871	23,673	73,838,211
Excess (deficiency) of					
revenues over expenditures	4,896,420	(1,516,340)	4,832,003	64,417	10,419,263
Other financing sources (uses) -					
Issuance of lease	750,000	750,000	750,000	-	750,000
Transfers in	2,710,000	1,690,000	2,710,000	-	1,690,000
Transfers out	(7,162,756)	(921,000)	(7,269,343)	106,587	(9,668,774)
Total other financing sources (uses)	(3,702,756)	1,519,000	(3,809,343)	106,587	(7,228,774)
Net change in fund balances	1,193,664	\$ 2,660	\$ 1,022,660	\$ 171,004	\$ 3,190,489
Fund balance, October 1, 2008, restated	38,303,766				
Fund balance, September 30, 2009	\$ 39,497,430				

## CITY OF ROUND ROCK, TEXAS DEBT SERVICE FUND

#### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL YEAR ENDED SEPTEMBER 30, 2009

IEARE		IDEK 30, 2009		
		Rudgeted	Amounts	Variance - Positive
	Actual	Original	Final	(Negative)
Revenues -		O I I S I I I I	1 11101	(110guil10)
Property taxes,				
including interest and penalties	\$ 12,076,418	\$ 12,045,000	\$ 12,045,000	\$ 31,418
Investment and other	69,842	270,000	270,000	(200,158)
Total revenues	12,146,260	12,315,000	12,315,000	(168,740)
Expenditures -				
Debt service -				
Principal retirement	10,942,820	11,276,411	11,276,411	333,591
Interest and fiscal charges	9,290,481	9,297,963	9,297,963	7,482
Total expenditures	20,233,301	20,574,374	20,574,374	341,073
Excess (deficiency) of revenues over expenditures	(8,087,041)	(8,259,374)	(8,259,374)	172,333_
Other financing sources (uses) - Transfers in	7,543,259	7,445,000	7,445,000	98,259
Total other financing sources (uses)	7,543,259	7,445,000	7,445,000	98,259
Net change in fund balances	(543,782)	\$ (814,374)	\$ (814,374)	\$ 270,592
Fund balance, October 1, 2008	3,431,063			
Fund balance, September 30, 2009	\$ 2,887,281			

#### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL STREET AND BRIDGE FUND

## YEAR ENDED SEPTEMBER 30, 2009

I EAR EI	11111		171717	. 30, 2007				
		Actual		Budgeted Original	Amo	ounts Final	P	riance- ositive egative)
Revenues -								
Investment and other	\$	2,842			\$			2,842
Total revenues		2,842	-	-				2,842
Other financing sources /(uses) -								
Transfers out		(750,168)		(747,326)	-	(747,326)		(2,842)
Total other financing sources/(uses)	•	(750,168)		(747,326)		(747,326)		(2,842)
Net change in fund balances		(747,326)	\$	(747,326)	\$	(747,326)	\$	-
Fund balance, October 1, 2008		747,326						
Fund balance, September 30, 2009	\$	-						

#### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL HOTEL-MOTEL OCCUPANCY TAX FUND YEAR ENDED SEPTEMBER 30, 2009

				Budgeted	Am	ounts		√ariance- Positive
		Actual		Original		Final	(]	Negative)
Revenues -	•							
Hotel occupancy tax	\$	2,394,145	\$	2,800,000	\$	2,800,000	\$	(405,855)
Investment and other		37,737		100,000		100,000		(62,263)
Contributions		2,316						2,316
Total revenues	***************************************	2,434,198		2,900,000		2,900,000		(465,802)
Expenditures -								
Current -								
Culture and recreation-								
Personnel services		243,075		294,441		294,441		51,366
Contractual services		195,125		261,169		261,169		66,044
Supplies and materials		19,871		35,335		35,335		15,464
Other services and charges		173,093		349,745		349,745		176,652
Total expenditures		631,164		940,690		940,690		309,526
Excess of revenues over expenditures		1,803,034		1,959,310		1,959,310		(156,276)
Other financing sources /(uses) -								
Transfers out		(1,166,000)		(1,385,000)		(1,385,000)		219,000
Total other financing sources/(uses)		(1,166,000)	-	(1,385,000)		(1,385,000)		219,000
Net change in fund balances		637,034	\$	574,310	\$	574,310	\$	761,187
Fund balance as restated, October 1, 2008		6,368,822						
Fund balance, September 30, 2009	\$	7,005,856						

#### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL POLICE FUND

#### YEAR ENDED SEPTEMBER 30, 2009

	(DEL	JULI LENI	.IJIJIN	20, 2007				
				Budgeted	Amo	ounts		<sup>r</sup> ariance- Positive
		Actual	***************************************	Original		Final	(1)	Negative)
Revenues -			***************************************					
Fines and forfeitures	\$	188,779	\$	129,942	\$	129,942	\$	58,837
Intergovernmental		1,923		-		-		1,923
Investment and other		1,280		7,000		7,000	•	(5,720)
Total revenues		191,982		136,942		136,942		55,040
Expenditures -								
Current -								
Public safety -								
Capital outlay		277,132		362,000		362,000		84,868
Total expenditures		277,132		362,000		362,000		84,868
Excess (deficiency) of								
revenues over expenditures		(85,150)	\$	(225,058)	\$	(225,058)	\$	(29,828)
Fund balance, October 1, 2008		259,074						
Fund balance, September 30, 2009	\$	173,924						

#### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL MUNICIPAL COURT FUND

#### YEAR ENDED SEPTEMBER 30, 2009

				Budgeted	l Amo	unts		ariance- Positive
		Actual	(	Original		Final	(N	legative)
Revenues -								
Licenses, permits and fees	\$	121,189	\$	92,100	\$	92,100	\$	29,089
Investment and other		1,283		4,750		4,750		(3,467)
Total revenues		122,472		96,850		96,850		25,622
Expenditures -								
Current -								
General government -								
Personnel services		30,455		35,000		35,000		4,545
Supplies and materials		12,369		21,360		21,360		8,991
Other services and charges		929		2,100		2,100		1,171
Capital outlay		17,680		54,000		54,000	•	36,320
Total expenditures	**************	61,433		112,460		112,460	***************************************	51,027
Excess (deficiency) of revenues								
over expenditures		61,039	\$	(15,610)	\$	(15,610)	\$	45,107
Fund balance, October 1, 2008	w	262,280						
Fund balance, September 30, 2009	\$	323,319						

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

#### LANDSCAPE FUND YEAR ENDED SEPTEMBER 30, 2009

			Budgeted	Amo	ounts		Variance- Positive
		Actual	Original		Final	(N	Negative)
Revenues -							
Licenses, permits and fees	\$	89,550	\$ 50,000	\$	50,000	\$	39,550
Investment and other		5,613	20,000		20,000		(14,387)
Contributions		5,685	 500	***************************************	500		5,185
Total revenues		100,848	70,500		70,500		30,348
Expenditures -							
Current -							
General government -							
Supplies and materials		315,195	250,000		315,870		675
Total expenditures	-	315,195	 250,000		315,870		675
Excess (deficiency) of revenues							
over expenditures		(214,347)	\$ (179,500)	\$	(245,370)	\$	29,673
Fund balance, October 1, 2008		788,440					
Fund balance, September 30, 2009	\$	574,093					

#### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL COMMUNITY DEVELOPMENT BLOCK GRANT YEAR ENDED SEPTEMBER 30, 2009

13.	THE ENDED	SEI TENI	DLIK	,				iance-
				Budgeted	l Amo			sitive
_		Actual		Original		Final	(Neg	gative)
Revenues -								
Intergovernmental	\$	430,852	\$	430,852	\$	430,852	\$	-
Investment and other	-			-				-
Total revenues	***************************************	430,852	######################################	430,852		430,852		_
Expenditures -								
Current -								
General government -								
Personnel services		63,694		63,694		63,694		-
Contractual services		6,080		6,080		6,080		-
Supplies and materials		92,852		92,852		92,852		_
Other services and charges		256,671		256,671		256,671		-
Capital outlay		11,555	•	11,555		11,555		
Total expenditures		430,852		430,852	***************************************	430,852		_
Excess of revenues								
over expenditures		-	\$	_	\$	_	\$	-
Fund balance, October 1, 2008								
Fund balance, September 30, 2009	\$	_						

# SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL ANNEXATION FEES FUND YEAR ENDED SEPTEMBER 30, 2009

				Budgeted	l Amounts			riance- sitive
		Actual	Ori	ginal	Fir	nal	(Ne	gative)
Revenues -								
Licenses, permits and fees	\$	-	\$	-	\$	_	\$	-
Investment and other		696		-				696
Total revenues	-	696						696
Excess of revenues over expenditures		696	\$	-	\$	-	\$	696
Fund balance, October 1, 2008		158,190						
Fund balance, September 30, 2009	\$	158,886						

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

#### LIBRARY FUND YEAR ENDED SEPTEMBER 30, 2009

			Budgeted	Amou	nts		riance- sitive
		Actual	Original		Final	(Ne	gative)
Revenues-							
Investment and other	\$	63	\$ 300	\$	300	\$	(237)
Contributions		295	 300		300		(5)
Total revenues		358	600		600		(242)
Expenditures -							
Current -							
General government -							
Supplies and materials		1,220	 3,000		3,000		1,780
Total expenditures		1,220	3,000	•	3,000		1,780
Excess (deficiency) of revenues							
over expenditures		(862)	\$ (2,400)	\$	(2,400)	\$	1,538
Fund balance, October 1, 2008	100000000000000000000000000000000000000	15,164					
Fund balance, September 30, 2009	\$	14,302					

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.
Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of
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## CITY OF ROUND ROCK, TEXAS AGENCY FUND

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES PUBLIC IMPROVEMENT DISTRICTS YEAR ENDED SEPTEMBER 30, 2009

	Balances October 1, 2008	Additions	Balances September 30, 2009	
<u>Assets</u>				
Cash and cash equivalents	\$ 683,248	\$ 685,575	\$ 907,723	\$ 461,100
Total assets	\$ 683,248	\$ 685,575	\$ 907,723	\$ 461,100
<u>Liabilities</u>				
Due to participants	\$ 683,248	\$ 685,575	\$ 907,723	\$ 461,100
Total liabilities	\$ 683,248	\$ 685,575	\$ 907,723	\$ 461,100

# CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS



#### CITY OF ROUND ROCK, TEXAS SCHEDULE OF CAPITAL ASSETS – BY SOURCES SEPTEMBER 30, 2009

Capital assets -	
Land	\$ 25,917,612
Buildings and improvements	610,545,682
Equipment	48,252,018
Construction in progress	21,889,223
	\$ 706,604,535
Investment in capital assets from -	
Capital Projects Funds -	
General obligation bonds	\$ 198,511,672
Federal grants	284,527
State grants	1,008,753
General Fund revenues	90,480,889
Special Revenue Fund revenues	134,329,024
Hotel Occupancy Tax revenues	20,542,721
Gifts	260,730,040
Special assessments	 716,909
	 706,604,535

#### CITY OF ROUND ROCK, TEXAS SCHEDULE OF CAPITAL ASSETS – BY FUNCTION AND ACTIVITY SEPTEMBER 30, 2009

Function and Activity		Total		Land	
General Government -					
Control -					
Executive	\$	280,361		-	
Staff agencies -					
Public works		6,852,071		293,740	
Finance	908,579			-	
Law	171,656			-	
Planning and zoning		1,633,678		-	
General government	22,023,734			3,814,168	
Total staff agencies		31,589,718		4,107,908	
Total general government		31,870,079		4,107,908	
Public safety -					
Police protection		35,739,348		2,622,159	
Fire protection		19,211,756		1,413,835	
Inspection		222,770		-	
Total public safety		55,173,874		4,035,994	
Public works -					
City shop		2,313,868		-	
Streets and drainage		89,233,141	41 283		
Total public works	4	91,547,009		283,322	
Culture and recreation -					
Library		7,839,981		278,252	
Recreation		98,284,369		17,212,136	
Total culture and recreation		06,124,350	•	17,490,388	
Total capital assets					
allocated to functions	68	84,715,312	\$	25,917,612	
Construction in progress		21,889,223			
Total capital assets	\$ 70	06,604,535			

Buildings and Improvements	Improvements Other Than Buildings	Machinery and Equipment	
\$ -	\$ -	\$ 280,361	
3,029,640	2,748,881	779,810	
-	-	908,579	
-	-	171,656	
31,230	751,653	850,795	
12,252,500	3,602,481	2,354,585	
15,313,370	7,103,015	5,065,425	
15,313,370	7,103,015	5,345,786	
18,248,611	1,029,105	13,839,473	
7,492,822	420,187	9,884,912	
		222,770	
25,741,433	1,449,292	23,947,155	
313,843	1,332,663	667,362	
934,711	478,323,565	9,691,543	
1,248,554	479,656,228	10,358,905	
4,182,511	21,940	3,357,278	
53,151,227	22,678,112	5,242,894	
57,333,738	22,700,052	8,600,172	
\$ 99,637,095	\$ 510,908,587	\$ 48,252,018	

# CITY OF ROUND ROCK, TEXAS SCHEDULE OF CHANGES IN CAPITAL ASSETS – BY FUNCTION AND ACTIVITY YEAR ENDED SEPTEMBER 30, 2009

Function and Activity	- water and a second	Capital Assets 10-1-08		Additions		etirements/ djustments	Capital Assets 09-30-09		
General Government - Control -									
Executive	_\$	282,862	\$	21,305	\$	(23,806)	_\$_	280,361	
Staff Agencies -									
Public works		6,977,154		43,991		(169,074)		6,852,071	
Finance		969,217		117,156		(177,794)		908,579	
Law		167,194		8,939		(4,477)		171,656	
Planning and zoning		1,711,517		-		(77,839)		1,633,678	
General government		41,675,441		12,858	(	(19,664,565)		22,023,734	
Total staff agencies		51,500,523		182,944	(	(20,093,749)		31,589,718	
Total general government		51,783,385		204,249		(20,117,555)		31,870,079	
Public safety -									
Police protection		35,357,994		1,173,919		(792,565)		35,739,348	
Fire protection		17,596,322		1,921,208		(305,774)		19,211,756	
Inspection		261,474		-		(38,704)		222,770	
Total public safety		53,215,790		3,095,127		(1,137,043)		55,173,874	
Public works -									
City shop		2,079,604		333,836		(99,572)		2,313,868	
Streets and drainage	4	31,098,126		58,501,321		(366,306)		489,233,141	
Total public works	4	33,177,730		58,835,157	-	(465,878)		491,547,009	
Culture and recreation -									
Library		7,696,233		308,055		(164,307)		7,839,981	
Recreation		51,801,393		46,560,852		(77,876)		98,284,369	
Total culture and recreation		59,497,626		46,868,907		(242,183)		106,124,350	
Construction in progress		61,257,994		39,756,906		(79,125,677)		21,889,223	
Total capital assets	\$ 6	58,932,525	_\$_	148,760,346	\$ (1	01,088,336)	\$	706,604,535	

### CITY OF ROUND ROCK, TEXAS STATISTICAL SECTION (UNAUDITED)

This part of the City of Round Rock's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information says about the City's overall financial health. This information has not been audited by the independent auditors.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	140
Revenue Capacity	
These schedules contain information to help the reader assess the City's significant local revenue sources, the property and sales tax.	150
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's currently outstanding debt and the City's ability to issue additional debt in the future.	158
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	165
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information contained in the City's financial report relates to the services the City provides and the activities it performs.	167

Sources: Unless otherwise noted, the information in these schedules is derived from the City's comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003. Schedules presenting government-wide information include information beginning in that year.

#### CITY OF ROUND ROCK, TEXAS NET ASSETS BY COMPONENT LAST SEVEN FISCAL YEARS

(accrual basis of accounting)

		Fisca	l Year	
	2003	2004	2005	2006
Governmental activities-				
Invested in capital assets, net of related debt	\$ 162,113,491	\$ 213,971,965	\$ 191,409,740	\$ 218,160,338
Restricted	62,407,428	30,619,598	77,452,591	72,855,857
Unrestricted	59,450,222	59,840,433	66,432,282	75,249,052
Total governmental activities net assets	\$ 283,971,141	\$ 304,431,996	\$ 335,294,613	\$ 366,265,247
Business-type activities-				
Invested in capital assets, net of related debt	\$ 133,189,058	\$ 153,895,969	\$ 166,695,648	\$ 184,270,630
Restricted	27,313,591	21,409,980	20,737,192	17,534,251
Unrestricted	30,211,234	30,540,616	35,012,093	44,027,327
Total business-type activities net assets	\$ 190,713,883	\$ 205,846,565	\$ 222,444,933	\$ 245,832,208
Primary government-				
Invested in capital assets, net of related debt	\$ 295,302,549	\$ 367,867,934	\$ 358,105,388	\$ 402,430,968
Restricted	89,721,019	52,029,578	98,189,783	90,390,108
Unrestricted	89,661,456	90,381,049	101,444,375	119,276,379
Total primary government activities net assets	\$ 474,685,024	\$ 510,278,561	\$ 557,739,546	\$ 612,097,455

2007	2008	2009
\$ 207,796,040	\$ 232,391,397	\$ 266,247,218
118,210,382	107,240,485	92,789,650
88,539,641	92,947,347	91,286,795
\$ 414,546,063	\$ 432,579,229	\$ 450,323,663
\$ 203,541,558	\$ 219,607,998	\$ 217,990,010
21,938,288	14,376,789	15,571,119
46,524,348	53,608,514	67,433,842
\$ 272,004,194	\$ 287,593,301	\$ 300,994,971
\$ 411,337,598	\$ 451,999,395	\$ 484,237,228
140,148,670	121,617,274	108,360,769
135,063,989	146,555,861	158,720,637
\$ 686,550,257	\$ 720,172,530	\$ 751,318,634

### CITY OF ROUND ROCK, TEXAS CHANGES IN NET ASSETS LAST SEVEN FISCAL YEARS

(accrual basis of accounting)

		ır				
	2003	 2004		2005		2006
Expenses:						
Governmental activities-						
General government	\$ 19,642,141	\$ 19,713,687	\$	20,282,360	\$	21,634,710
Public safety	19,066,383	20,966,487		22,762,219		27,724,273
Public works	16,588,968	18,072,178		20,919,303		24,804,177
Culture and recreation	9,325,558	10,246,850		10,921,173		11,714,066
Interest on long-term debt	 7,393,065	 7,433,425		8,358,830		7,950,242
Total governmental activities expenses	 72,016,115	 76,432,627		83,243,885		93,827,468
Business-type activities-						
Water and sewer utility	20,182,559	22,543,579		25,051,538		27,783,218
Golf course	162,996	 173,136		215,595		150,029
Total business-type activities expenses	20,345,555	 22,716,715		25,267,133		27,933,247
Total primary government expenses	 92,361,670	 99,149,342		108,511,018	-	121,760,715
Program revenues: Governmental activities- Charges for services- General government	1,356,528	1,409,825		1,352,613		2,021,621
Public safety	1,437,534	1,712,535		2,674,255		2,371,379
Public works	1,149,150	872,929		1,040,788		1,139,836
Culture and recreation	1,976,438	2,137,179		1,941,047		2,408,710
Operating grants and contributions	672,000	660,273		625,905		1,057,821
Capital grants and contributions	17,982,478	11,768,405		14,435,954		12,548,335
Total governmental activities program revenues	24,574,128	18,561,146		22,070,562		21,547,702
Business-type activities- Charges for services-						
Water and sewer utility	24,002,196	24,962,107		27,161,741		30,566,103
Golf course	453,238	486,097		427,504		476,082
Capital grants and contributions	 9,305,820	8,717,960		7,352,889		10,445,072
Total business-type activities program revenues	 33,761,254	 34,166,164		34,942,134		41,487,257
Total primary government program revenues	58,335,382	 52,727,310		57,012,696		63,034,959
Net (expense) revenue-						
Governmental activities	(47,441,987)	(57,871,481)		(61,173,323)		(72,279,766)
Business-type activities	13,415,699	 11,449,449		9,675,001		13,554,010
Total primary government net expense	(34,026,288)	 (46,422,032)	•	(51,498,322)		(58,725,756)

Note: City of Round Rock, Texas first applied GASB Statement No. 34 in fiscal year 2003; therefore, government-wide financial information for years prior to fiscal year 2003 is not available.

2007	2008	2009		
\$ 21,926,050	\$ 24,097,129	\$ 25,046,973		
28,879,882	33,587,423	37,104,418		
27,114,039	28,727,136	27,608,721		
11,905,643	12,674,371	14,433,602		
7,463,588	9,530,456	9,587,223		
97,289,202	108,616,515	113,780,937		
28,873,665	32,865,979	36,884,365		
167,906	185,659	182,521		
29,041,571	33,051,638	37,066,886		
126,330,773	141,668,153	150,847,823		
1,766,153	1,941,519	3,820,455		
2,851,787	3,197,900	3,646,892		
1,337,371	1,295,783	877,676		
2,489,438	2,721,570	2,503,925		
931,269	1,097,733	1,064,411		
17,322,551	3,825,335	14,083,063		
26,698,569	14,079,840	25,996,422		
30,968,868	35,060,024	37,802,909		
476,025	474,353	485,972		
13,772,431	8,750,891	7,922,361		
45,217,324	44,285,268	46,211,242		
71,915,893	58,365,108	72,207,664		
(70,590,633)	(94,536,675)	(87,784,515)		
16,175,753	11,233,630	9,144,356		
(54,414,880)	(83,303,045)	(78,640,159)		

#### CITY OF ROUND ROCK, TEXAS CHANGES IN NET ASSETS (CONTINUED) LAST SEVEN FISCAL YEARS

(accrual basis of accounting)

		Fisca	ıl Year	
	2003	2004	2005	2006
General revenues and other changes				
in net assets:				
Governmental activities-				
Taxes-				
Property	17,463,237	18,699,378	20,486,575	21,632,249
Franchise	4,255,978	4,687,213	4,488,608	4,990,439
Sales	45,023,664	48,642,969	58,052,509	64,935,779
Hotel occupancy	1,618,744	1,650,148	1,905,049	2,268,619
Public service	205,185	210,090	212,565	227,784
Investment earnings	1,990,200	1,585,398	3,932,154	7,232,842
Miscellaneous	334,869	121,610	206,057	122,499
Transfers	2,238,068	2,735,530	2,752,423	1,840,189
Total governmental activities	73,129,945	78,332,336	92,035,940	103,250,400
Business-type activities-				
Impact fees	6,215,734	5,810,326	8,648,921	9,261,152
Investment earnings	901,541	588,816	997,802	2,363,692
Loss on joint venture	· -	-	, -	-
Miscellaneous	<del>-</del>	19,621	29,067	48,610
Transfers	(2,238,068)	(2,735,530)	(2,752,423)	(1,840,189)
Total business-type activities	4,879,207	3,683,233	6,923,367	9,833,265
Total primary government	78,009,152	82,015,569	98,959,307	113,083,665
Change in net assets:				
Governmental activities	25,687,958	20,460,855	30,862,617	30,970,634
Business-type activities	18,294,906	15,132,682	16,598,368	23,387,275
Total primary government	\$ 43,982,864	\$ 35,593,537	\$ 47,460,985	\$ 54,357,909

Note: City of Round Rock, Texas first applied GASB Statement No. 34 in fiscal year 2003; therefore, government-wide financial information for years prior to fiscal year 2003 is not available.

2007	2008	2009				
24,409,535	27,560,939	29,867,765				
5,499,222	5,748,333	6,213,263				
68,988,092	68,216,680	61,019,506				
2,838,689	2,939,352	2,394,145				
257,384	286,179	315,739				
9,912,657	8,220,228	4,112,703				
152,805	257,495	-				
1,668,221	2,291,695	1,605,828				
113,726,605	115,520,901	105,528,949				
10,609,090	5,216,423	4,568,130				
1,055,364	1,618,492	1,305,841				
-	-	(10,829)				
-	-	<del>-</del>				
(1,668,221)	(2,291,695)	(1,605,828)				
9,996,233	4,543,220	4,257,314				
123,722,838	120,064,121	109,786,263				
43,135,972	20,984,226	17,744,434				
26,171,986	15,776,850	13,401,670				
\$ 69,307,958	\$ 36,761,076	\$ 31,146,104				

### CITY OF ROUND ROCK, TEXAS FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

			Fisca	l Yea	ır	
		2000	2001		2002	2003
General fund-						
Reserved	\$	_	\$ _	\$	_	\$ 46,600
Unreserved	-	19,881,188	 22,185,654		23,261,921	25,204,136
Total general fund	\$	19,881,188	\$ 22,185,654		23,261,921	\$ 25,250,736
All other governmental funds-						
Reserved for-						
Federal seizure	\$	121,389	\$ 131,924	\$	36,633	\$ 84,044
Non-current loans receivable		19,181	19,181		19,181	19,181
Debt service		1,471,892	2,132,743		2,074,841	2,304,816
Nonexpendable endowments		100,000	100,000		100,000	100,000
Authorized construction		26,673,808	31,551,635		66,939,857	58,100,810
Unreserved, reported in-						
Special revenue funds		13,147,967	16,005,647		23,560,762	10,411,681
Capital projects funds		7,173,012	13,307,241		15,251,568	25,872,318
Permanent fund		7,361	 3,969		6,096	7,437
Total all other governmental funds	\$	48,714,610	\$ 63,252,340	\$	107,988,938	\$ 96,900,287

2004	2005	2006	 2007	 2008	 2009
\$ 23,200 26,759,957	\$ 28,705,017	\$ 32,472,684	\$ 37,494,875	\$ 38,303,766	\$ 39,497,430
\$ 26,783,157	\$ 28,705,017	\$ 32,472,684	\$ 37,494,875	\$ 38,303,766	\$ 39,497,430
\$ 112,857 19,181	\$ 357,985 19,181	\$ 391,661 19,181	\$ 343,448 19,181	\$ 259,074	\$ 173,924
2,338,493	2,600,354	3,200,508	3,058,395	3,431,063	2,887,281
100,000 79,421,798	100,000 75,863,062	70,912,738	116,579,878	105,501,593	91,521,069
5,519,397	4,535,452	4,731,971	6,611,092	8,340,222	8,076,456
24,633,882 8,611	26,432,736 4,262	29,682,330	32,022,916	34,463,233	32,584,099
\$ 112,154,219	\$ 109,913,032	 108,938,389	\$ 158,634,910	\$ 151,995,185	\$ 135,242,829

### CITY OF ROUND ROCK, TEXAS CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

				Fisca	ıl Ye	ar		
		2000		2001		2002		2003
Revenues-								
Taxes and franchise	\$	47,424,826	\$	58,333,682	\$	59,029,046	\$	66,699,982
Licenses, permits and fees	Ψ	970,656	Ψ	799,550	Ψ	628,550	Ψ	801,108
Charges for services		2,268,857		3,010,382		3,282,764		3,451,103
Fines and forfeitures		729,172		834,185		1,078,089		1,043,055
Intergovernmental		1,122,445		1,260,810		735,590		754,431
Hotel occupancy tax		1,017,826		1,354,429		1,477,050		1,618,744
Investment and other		4,124,001		5,508,858		3,701,703		3,610,459
Contributions		11,323,039		791,421		269,114		828,134
Total revenues		68,980,822		71,893,317		70,201,906		78,807,016
Expenditures-								
General government		11,979,536		14,675,517		15,071,967		17,231,171
Public safety		12,698,746		15,074,503		16,767,233		18,099,093
Public works		5,234,245		6,240,934		6,448,449		7,277,171
Culture and recreation		5,170,540		7,232,737		7,568,798		8,412,271
Capital projects		40,367,935		30,831,239		19,412,193		25,564,047
Debt service-								
Principal retirement		4,156,328		5,095,748		5,777,190		5,179,568
Interest and fiscal charges		3,739,412		4,938,673		5,732,117		8,381,599
Other charges						_		-
Total expenditures		83,346,742		84,089,351		76,777,947		90,144,920
Excess of revenues								
over (under) expenditures		(14,365,920)		(12,196,034)		(6,576,041)		(11,337,904)
Other financing sources (uses)-								
Proceeds from sale of capital assets		-		-		-		-
Issuance of lease		525,000		1,000,000		575,000		-
Issuance of debt		26,423,117		25,435,000		60,448,959		-
Premium on bonds issued		-		-		-		-
Payment to refunded bond excrow agent		-		-		(11,084,861)		-
Transfers in		20,770,546		20,430,957		13,565,477		14,761,767
Transfers out		(18,136,054)		(17,827,727)		(11,115,669)		(12,523,699)
Total other financing sources (uses)		29,582,609		29,038,230		52,388,906		2,238,068
Net change in fund balances	\$	15,216,689	\$	16,842,196	\$	45,812,865	\$	(9,099,836)
Capital outlay including amounts reported under departmental current expenditures	\$	43,457,868	\$	34,495,580	\$	20,906,177	\$	25,535,305
Debt service as a percentage of noncapital expenditures		19.8%		20.2%		20.6%		21.0%

	2004	 2005	2006	2007	 2008		2009
\$	71,743,446	\$ 83,437,892	\$ 91,672,097	\$ 99,100,555	\$ 101,938,374	\$	97,339,627
	679,754	1,218,975	970,570	1,585,091	1,593,711		1,053,959
	3,727,507	4,100,595	4,311,153	3,569,077	3,895,886		3,757,215
	1,286,754	1,455,280	1,696,474	1,849,523	2,014,379		2,057,353
	746,042	885,038	1,165,978	2,578,680	1,317,506		1,232,594
	1,650,148	1,905,049	2,268,619	2,838,689	2,939,352		2,394,145
	2,637,520	4,853,019	8,640,878	11,424,988	9,977,103		8,406,513
	626,201	 1,258,618	 165,670	 826,807	 2,094,375		1,729,637
	83,097,372	 99,114,466	 110,891,439	 123,773,410	 125,770,686		117,971,043
	18,343,416	20,638,875	22,163,330	22,207,904	22,801,093		22,830,329
	19,818,241	21,674,409	25,785,545	28,456,892	31,996,008		34,099,601
	7,430,727	7,587,502	8,506,994	8,719,701	9,360,999		10,065,601
	9,088,693	9,382,752	10,021,489	10,711,796	11,524,905		11,813,663
	20,138,116	27,972,915	36,896,924	36,542,219	53,298,559		38,798,458
	6,879,318	7,518,388	7,090,383	11,940,981	10,448,506		10,942,820
	7,343,728	8,046,683	7,698,552	7,052,015	9,060,707		9,290,481
	929,692	 313,483		3,994,688	 	-	_
	89,971,931	 103,135,007	 118,163,217	 129,626,196	 148,490,777		137,840,953
-	(6,874,559)	 (4,020,541)	 (7,271,778)	(5,852,786)	 (22,720,091)		(19,869,910)
	-	_	1,423,235	_	-		_
	575,000	600,000	600,000	3,250,000	750,000		1,505,390
	31,945,000	19,915,000	6,201,378	80,110,000	16,798,622		-
	1,209,144	1,361,510	-	573,448	-		-
	(12,803,761)	(20,927,719)	-	(30,175,015)	-		-
	18,998,512	27,802,722	29,387,915	45,681,150	26,429,303		33,385,722
	(16,262,983)	(25,050,299)	(27,547,726)	(44,012,929)	(24,137,608)		(30,579,894)
	23,660,912	3,701,214	10,064,802	55,426,654	 19,840,317		4,311,218
\$	16,786,353	\$ (319,327)	\$ 2,793,024	\$ 49,573,868	\$ (2,879,774)	\$	(15,558,692)
\$	21,386,215	\$ 29,836,204	\$ 36,896,924	\$ 36,542,219	\$ 53,298,559	\$	40,000,535
	20.7%	21.2%	18.2%	20.4%	20.5%		20.7%

### CITY OF ROUND ROCK, TEXAS ACTUAL AND TAXABLE ASSESSED VALUE OF PROPERTY LAST TEN FISCAL YEARS

	Actual Assessed Value			Less:		
Fiscal Year	Real Property	Personal Property	Total	Tax Exempt Property	Taxable Assessed Valuation	Total Direct Tax Rate
	\$	\$	\$	\$	\$	\$
2000	2,670,155,112	504,988,781	3,175,143,893	198,291,225	2,976,852,668	0.3629
2001	3,270,519,641	712,609,336	3,983,128,977	260,491,609	3,722,637,368	0.3303
2002	3,977,561,419	853,720,952	4,831,282,371	333,154,352	4,498,128,019	0.3221
2003	4,536,275,722	832,454,143	5,368,729,865	309,696,551	5,059,033,314	0.3422
2004	4,603,800,464	786,481,840	5,390,282,304	250,319,487	5,139,962,817	0.3572
2005	4,794,995,393	726,483,588	5,521,478,981	190,331,290	5,331,147,691	0.3797
2006	5,199,431,315	749,984,473	5,949,415,788	175,933,206	5,773,482,582	0.3711
2007	5,929,650,836	783,793,471	6,713,444,307	198,475,704	6,514,968,603	0.3711
2008	6,954,733,744	852,374,495	7,807,108,239	303,674,692	7,503,433,547	0.3652
2009	7,623,482,042	957,142,673	8,580,624,715	386,156,997	8,194,467,718	0.3652

Source: Williamson Central Appraisal District

Note - Property in the City is assessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.

# CITY OF ROUND ROCK, TEXAS PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS PER \$ 100 OF ASSESSED VALUE LAST TEN FISCAL YEARS

		City Direct Rates			Ov			
· ·	Fiscal Year	Operating Rate	Debt Service Rate	Total Direct	Round Rock Independent School District	Williamson County	Special Districts	Total Direct and Overlapping Rates
		\$	\$	\$	\$	\$	\$	\$
	2000	0.1783	0.1846	0.3629	1.7111	0.2995	-	2.3735
	2001	0.1590	0.1713	0.3303	1.7086	0.3477	-	2.3866
	2002	0.1792	0.1429	0.3221	1.7387	0.3543	-	2.4151
	2003	0.1941	0.1481	0.3422	1.7924	0.4154	-	2.5500
	2004	0.2018	0.1553	0.3571	1.8643	0.4482	0.0200	2.6896
	2005	0.2092	0.1705	0.3797	1.8572	0.4789	0.0200	2.7358
	2006	0.2089	0.1622	0.3711	1.8334	0.4997	0.0200	2.7242
	2007	0.2164	0.1547	0.3711	1.6406	0.4997	0.0200	2.5314
	2008	0.1960	0.1692	0.3652	1.3238	0.4891	0.0200	2.1981
	2009	0.2171	0.1481	0.3652	1.3324	0.4683	0.1154	2.2813

Source: Williamson County Tax Office

### CITY OF ROUND ROCK, TEXAS PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

		2009		2000				
Name of Taxpayer	Net Assessed Valuation	Rank	% of Total Net Assessed Valuation	Net Assessed Valuation	Rank	% of Total Net Assessed Valuation		
Dell Computer Holdings, LP	\$ 197,709,697	1	2.413%	\$ 176,134,791	1	5.917%		
CPG Round Rock, LP	122,593,318	2	1.496%	-		-		
Baltgem Development Corp.	90,144,431	3	1.100%	-		-		
Columbia/St. David Healthcare	59,356,180	4	0.724%	-		-		
Dell Computer Corp.	53,332,060	5	0.651%	-		-		
Oncor Electric Delivery Co.	40,913,638	6	0.499%	-		-		
Colonial Realty, LTD	37,413,622	7	0.457%	-		-		
Toppan Photomasks, Inc.	36,692,978	8	0.448%	-		-		
2800 La Frontera #1A, LTD	33,610,124	9	0.410%	-		-,		
HEB Grocery Co., LP	30,107,994	10	0.367%	-		-		
Limestone Ranch, LLP	-		-	33,500,000	2	1.125%		
Cypress Semiconductor	-		-	27,864,800	3	0.936%		
DuPont Photo Mask	-		-	27,016,493	4	0.908%		
Texas Utilities Electric	-		-	22,740,091	5	0.764%		
Sysco Food Services, Inc.	-		-	21,093,607	6	0.709%		
Southwestern Bell Telephone	-		-	19,753,225	7	0.664%		
Austin Rocking Horse Ranch	-		-	17,700,000	8	0.595%		
TECO-Westinghouse Motor Co.	-		-	17,306,200	9	0.581%		
Acquiport Steeplechase Downs	-			14,167,470	10	0.476%		
	\$ 701,874,042		8.565%	\$ 377,276,677		12.675%		

Source: Williamson Central Appraisal District

### CITY OF ROUND ROCK, TEXAS PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Collected within the

			Fiscal Year			Total Colle	ections to Date	
_	Fiscal Year	Taxes Levied for the Fiscal Year	Amount	Percentage Of Levy	Collections in Subsequent Years	Amount	Percentage Of Levy	
		\$	\$	%	\$	\$	%	
	2000	10,941,903	10,686,138	97.66	244,890	10,931,028	99.90	
	2001	12,408,442	12,181,034	98.17	211,384	12,392,418	99.87	
	2002	14,553,616	14,335,048	98.50	195,849	14,530,897	99.84	
	2003	17,293,151	17,129,231	99.05	145,553	17,274,784	99.89	
	2004	18,306,022	18,117,224	98.97	153,879	18,271,103	99.81	
	2005	20,296,113	20,103,093	99.05	156,641	20,259,734	99.82	
	2006	21,437,587	21,260,880	99.18	142,644	21,403,524	99.84	
	2007	24,022,233	24,010,335	99.95	(22,442)	23,987,893	99.86	
	2008	27,264,809	27,232,914	99.88	(19,123)	27,213,791	99.81	
	2009	29,927,835	29,745,017	99.39	-	29,745,017	99.39	

#### CITY OF ROUND ROCK, TEXAS TAXABLE SALES BY CATEGORY LAST TEN CALENDAR YEARS

	Retail	Wholesale			
Year	Trade	Trade	Services	Manufacturing	Utilities
	\$	\$	\$	\$	\$
1999	623,057,498	538,396,409	127,142,719	14,127,476	18,530,905
2000	768,898,220	597,548,751	196,444,145	19,815,573	24,734,436
2001	912,414,869	731,001,387	216,072,525	20,451,976	29,741,180
2002	1,002,120,502	719,007,415	216,666,201	22,555,006	33,689,361
2003	1,085,691,925	876,997,596	229,692,253	13,208,185	24,017,807
2004	1,125,319,697	924,947,365	245,301,178	19,188,881	13,748,708
2005	1,022,046,302	1,164,889,028	271,930,962	23,056,605	13,835,732
2006	1,204,017,407	1,286,347,769	284,232,565	20,117,751	15,736,435
2007	1,145,110,919	1,591,303,790	304,759,747	27,335,653	18,904,449
2008	1,169,341,432	1,437,462,827	331,204,107	20,237,658	16,645,969
	\$ 10,058,018,771	\$ 9,867,902,337	\$ 2,423,446,402	\$ 200,094,764	\$ 209,584,982

Source: Texas Comptroller of Public Accounts

Note: Sales information is not available on a fiscal year basis.

Due to State of Texas confidentiality issues, names of sales tax payers are not available. The categories presented provide alternative information indicative of sales tax revenue sources.

				City		
				Direct	State	
	Finance,			Sales Tax	Sales Tax	Over-
Construction	Insurance	Other	Total	Rate	Rate	lapping
\$	\$	\$	\$	%	%	%
11,771,642	280,530	7,275,680	1,340,582,859	2.0	6.25	8.25
11,026,539	422,839	7,908,943	1,626,799,446	2.0	6.25	8.25
12,984,689	1,156,703	6,723,785	1,930,547,114	2.0	6.25	8.25
13,971,691	3,994,116	1,247,650	2,013,251,942	2.0	6.25	8.25
16,269,980	1,074,384	4,100,156	2,251,052,286	2.0	6.25	8.25
16,760,649	1,189,215	2,977,318	2,349,433,011	2.0	6.25	8.25
26,144,588	1,323,272	180,746,146	2,703,972,635	2.0	6.25	8.25
26,619,939	1,410,360	62,544,068	2,901,026,294	2.0	6.25	8.25
43,424,237	1,782,201	-	3,132,620,996	2.0	6.25	8.25
43,124,472	1,674,015		3,019,690,480	2.0	6.25	8.25
\$ 222,098,426	\$ 14,307,635	\$ 273,523,746	\$ 23,268,977,063			

### CITY OF ROUND ROCK, TEXAS HOTEL TAXPAYERS SEPTEMBER 30, 2009

Taxpayer	S6	Total Collections Year Ended eptember 30, 2009	Number of Rooms
Austin Marriott North	\$	543,738	295
Hilton Garden Inn		180,756	122
Hampton Inn		174,534	93
Residence Inn		169,552	96
Courtyard by Marriott		153,115	113
Springhill Suites		124,446	104
Baymont Inn		113,949	86
La Quinta Inn		110,280	116
Staybridge Suites		108,809	81
Wingate Inn		107,418	100
Holiday Inn		96,825	91
Red Roof Inn		78,637	107
Best Western Executive Inn		63,598	69
Comfort Suites		63,481	63
Value Place		54,293	121
Candlewood Suites		51,856	98
Extended Stay America # 6197		48,259	104
Country Inn & Suites		43,995	63
Extended Stay America # 6030		41,863	138
Days Inn & Suites		37,773	48
Super 8 Motel		26,968	62
	\$	2,394,145	2,170

### CITY OF ROUND ROCK, TEXAS HOTEL OCCUPANCY TAX COLLECTION HISTORY BY QUARTER LAST TEN FISCAL YEARS

F	iscal					
F				3rd Quarter Apr. – June <u>J</u>	4th Quarter uly – Sept.	Total
		\$	\$	\$	\$	\$
;	2000	219,642	215,824	255,911	326,448	1,017,825
2	2001	323,789	308,735	333,479	388,426	1,354,429
Ź	2002	360,606	307,427	368,583	440,434	1,477,050
2	2003	401,794	367,136	410,803	439,011	1,618,744
2	2004	406,795	352,486	414,176	476,691	1,650,148
2	2005	448,789	401,171	476,219	578,870	1,905,049
2	2006	521,640	459,601	578,711	708,667	2,268,619
2	2007	594,826	695,452	729,813	818,598	2,838,689
2	2008	669,345	749,897	806,813	713,297	2,939,352
2	2009	609,608	589,006	640,846	554,685	2,394,145

### CITY OF ROUND ROCK, TEXAS RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Governmental Activities

Business-Type
Activities

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Other Debt Obligations	Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
	\$	\$	\$	\$	\$	%	\$
2000	40,705,000	24,299,000	25,902,273	6,139,625	97,045,898	6.15	1,608
2001	37,640,000	23,622,000	51,438,524	4,887,700	117,588,224	5.98	1,708
2002	71,835,000	20,805,000	64,873,333	3,560,775	161,074,108	7.37	2,198
2003	70,265,000	20,167,000	61,901,766	2,358,850	154,692,616	7.40	1,993
2004	87,965,000	18,279,000	59,615,448	1,206,925	167,066,373	7.57	2,042
2005	98,680,000	3,471,000	57,400,061	270,000	159,821,061	6.60	1,858
2006	95,020,000	2,968,000	61,274,055	-	159,262,055	6.17	1,774
2007	124,960,000	16,120,000	58,318,074	355,000	199,753,074	7.43	2,159
2008	120,060,000	15,300,000	71,098,855	8,290,000	214,748,855	7.59	2,232
2009	115,725,000	14,475,000	66,948,294	11,555,000	208,703,294	7.02	2,098

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Demographic and Economic Statistics for personal income and population data.

# CITY OF ROUND ROCK, TEXAS RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS

Fiscal Year Ended 9-30	(1) Population	Net Assessed Value (in thousands)	Gross Bonded Debt	Amount Available in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
		\$	\$	\$	\$	%	\$
2000	60,340	2,976,853	65,004,000 (2)	1,471,892	63,532,108	2.13	1,053
2001	68,835	3,722,637	61,262,000 (2)	2,132,743	59,129,257	1.59	859
2002	73,295	4,498,128	92,640,000 (2)	2,074,841	90,565,159	2.01	1,236
2003	77,600	5,059,033	90,432,000 (2)	2,304,816	88,127,184	1.74	1,136
2004	81,825	5,139,963	106,244,000 (2)	2,338,493	103,905,507	2.02	1,270
2005	86,000	5,331,148	102,151,000 (2)	2,600,354	99,550,646	1.87	1,158
2006	89,800	5,773,483	97,988,000 (2)	3,200,508	94,787,492	1.64	1,056
2007	92,500	6,514,969	141,080,000 (2)	3,058,395	138,021,605	2.12	1,492
2008	96,200	7,503,434	135,360,000 (2)	3,431,063	131,928,937	1.76	1,371
2009	99,500	8,194,468	130,200,000 (2)	2,887,281	127,312,719	1.55	1,280

Note: Includes Certificates of Obligation and General Obligation Bonds.

<sup>(1)</sup> Source: Planning Department, City of Round Rock

Gross bonded debt includes self-supporting debt funded by enterprise funds. Gross self-supporting debt totaled \$4,800,424 at September 30, 2009.



#### CITY OF ROUND ROCK, TEXAS COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT SEPTEMBER 30, 2009

Name of Governmental Unit	Total General Debt Outstanding	Estimated Percentage Applicable		Estimated Share of Overlapping Debt
Debt repaid with property taxes-				
Round Rock Independent School District	\$ 574,235,968 **	39.79%	\$	228,488,492
Williamson County	641,447,518 *	22.27%		142,850,362
Georgetown ISD	135,023,693 **	0.01%		13,502
Travis County	522,989,987 *	0.25%		1,307,475
Subtotal, overlapping debt				372,659,831
City direct debt			<b></b>	130,200,000
Total direct and overlapping debt			\$	502,859,831

<sup>\*</sup>Gross Debt as of 9-30-09

Source: City of Round Rock Finance Department and Texas Municipal Reports

<sup>\*\*</sup>Gross Debt as of 6-30-09

#### CITY OF ROUND ROCK, TEXAS LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year							
		2000		2001		2002		2003
Debt limit	\$	533,617,920	\$	667,304,112	\$	806,315,251	\$	906,860,750
Total net debt applicable to limit		53,744,875		50,262,992		82,569,295	<u> Almirina de la como</u>	80,541,088
Legal debt margin		479,873,045		617,041,120	\$	723,745,956		826,319,662
Total net debt applicable to the limit as a percentage of debt limit		10.07%		7.53%		10.24%		8.88%
Legal Debt Margin Calculation for Fiscal Year 2009								
Total assessed value					\$	8,194,467,718		
Debt limit - Maximum serviceable at per of \$1.50 per \$100 of assessed value	mitt	ed allocation			\$	1,468,905,352		
Amount of debt applicable to debt limit:								
Total General Obligation Debt Less:			\$	130,200,000				
Amount available in Debt Service Amounts considered self-supporti		ad		(2,887,281) (4,800,424)				
Total net debt applicible to debt limit					-	122,512,295		
Legal debt margin					\$	1,346,393,057		

There is no direct debt limitation in the City Charter or under state law. The City operates under a Home Rule Charter (Article XI, Section 5, Texas Constitution), approved by voters in August, 1977, that limits the maximum tax rate, for all City purposes, to \$ 2.50 per \$ 100 assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$ 1.50 of the \$ 2.50 maximum tax rate for general obligation debt service.

Assuming the maximum tax rate for debt service of \$ 1.50 on January 1, 2008, assessed valuation of \$ 8,194,467,718 at 100% collection, tax revenue of \$ 122,917,016 would be produced. This revenue could service the debt on \$1,468,905,352 issued as 20- year serial bonds at 5.50% (with level debt service payment).

 2004	 2005	2006	2007	2008	2009
\$ 921,367,824	\$ 955,638,811	\$ 1,034,929,880	\$ 1,167,845,500	\$ 1,345,033,513	\$ 1,468,905,352
 97,029,376	93,578,032	 89,029,039	132,491,172	126,786,525	122,512,295
 824,338,448	\$ 862,060,779	 945,900,841	\$ 1,035,354,328	\$ 1,218,246,988	\$ 1,346,393,057
10.53%	9.79%	8.60%	11.34%	9.43%	8.34%

### CITY OF ROUND ROCK, TEXAS SCHEDULE OF REVENUE BOND COVERAGE LAST TEN FISCAL YEARS

	(1)	(2)	Net Revenue		D
Fiscal	Gross	Direct Operating	Available for Debt	Debt Service Requirements	Revenue Bond
Year	Revenue	Expenses	Service	Principal and Interest	
 1 Cai	Revenue	Expenses	Bervice	Timelpar and interest	Coverage
	\$	\$	\$	\$	
2000	23,867,459	10,561,505	13,305,954	1,765,565	7.54
2001	24,333,346	12,645,648	11,687,698	1,575,210	7.42
2002	25,436,842	13,840,556	11,596,286	1,583,835	7.32
2003	24,895,722	15,328,369	9,567,353	1,392,358	6.87
2004	25,583,013	16,467,400	9,115,613	1,279,975	7.12
2005	28,197,344	18,452,453	9,744,891	1,016,058	9.59
2006	32,985,447	20,962,289	12,023,158	284,310	42.29
2007	31,921,522	21,369,755	10,551,767	5,966	1768.65
2008	36,629,189	24,549,076	12,080,113	153,666	78.61
2009	39,095,039	27,356,759	11,738,280	568,400	20.65

<sup>(1)</sup> Water and Sewer Fund operating and non-operating revenues.

<sup>(2)</sup> Water and Sewer Fund operating expenses, excluding depreciation.

### CITY OF ROUND ROCK, TEXAS DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

			(2)			
			Per	(3)	(4)	(3)
Fiscal	(1)	Personal	Capita	Median	School	Unemployment
Year	Population	Income	Income	Age	Enrollment	Rate
		\$	\$			%
2000	60,340	1,577,830,660	26,149	30.1	31,572	1.3
2001	68,835	1,965,376,920	28,552	30.5	32,652	3.9
2002	73,295	2,185,803,490	29,822	30.8	34,120	4.7
2003	77,600	2,090,544,000	26,940	31.2	35,579	4.7
2004	81,825	2,207,556,675	26,979	30.6	36,608	3.1
2005	86,000	2,423,308,000	28,178	30.5	37,909	3.7
2006	89,800	2,581,211,200	28,744	30.6	39,112	3.3
2007	92,500	2,686,755,000	29,046	31.0	40,342	3.5
2008	96,200	2,831,069,800	29,429	31.2	41,489	4.2
2009	99,500	2,971,866,000	29,868	30.8	41,867	6.4

Sources:

<sup>(1)</sup> Planning Department, City of Round Rock

<sup>(2)</sup> Texas Workforce Commission; data is for Williamson County, which is representative of the City; data for City not available.

<sup>(3)</sup> Round Rock Chamber of Commerce

<sup>(4)</sup> Round Rock Independent School District

### CITY OF ROUND ROCK, TEXAS PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

		2009			2000	
Name of Employer	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
			%			%
Dell, Inc.	8,500	1	16.80	9,500	1	29.30
Round Rock Independent School District	5,400	2	10.68	3,800	2	11.72
Sears TeleServe	1,300	3	2.57	900	3	2.78
City of Round Rock, Texas	831	4	1.64	532	6	1.64
Scott & White University Medical Campus	800	5	1.58			
Round Rock Medical Center	710	6	1.40			
Texas Guaranteed Student Loan	700	7	1.38			
Seton Williamson Medical Center	500	8	0.99			
Dresser Wayne, Inc.	420	9	0.83	460	9	1.42
Michael Angelo's Gourmet Foods	400	10	0.79	525	7	1.62
Farmer's Insurance				765	4	2.36
Trend Technologies				550	5	1.70
Tellabs Texas, Inc.				470	8	1.45
Westinghouse Motor Company				450	10	1.39

Source: Round Rock Chamber of Commerce

## CITY OF ROUND ROCK, TEXAS FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of September 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Function:										
General government	109	120	132	134	142	148	158	163	176	173
Public safety-										
Police-										
Officers	89	100	107	112	119	126	131	135	146	151
Civilians	35	37	42	41	47	47	55	58	62	61
Fire-										
Firefighters & officers	70	72	78	78	90	104	111	119	124	124
Civilians	3	4	4	4	4	4	4	5	5	5
Public works-										
Street	41	49	49	49	48	48	48	48	48	48
Shop	10	14	14	14	14	14	15	15	15	15
Culture & recreation-										
Library	27	23	24	26	27	28	29	29	29	29
Parks & Recreation	62	79	81	83	90	91	93	93	95	97
Water	65	66	78	80	90	93	92	93	95	96
Sewer	21	32	29	32	32	35	35	35	36	36
Total	532	596	638	653	703	738	771	793	831	835

Source:

Finance Department, City of Round Rock

### CITY OF ROUND ROCK, TEXAS OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

		Fiscal Y	ear	
	2000	2001	2002	2003
Function:				
Police-				
Arrests	1,836	1,512	1,735	1,684
Accident reports	2,095	2,675	2,667	2,360
Index crimes reported Crimes per thousand residents	1,053 20.20	2,061 30.90	1,495 20.90	1,813 25.50
Officers per thousand of population	1.52	1.50	1.50	1.49
Fire-				
Incident volume	4,334	5,109	5,352	5,076
Priority calls answered	3,050	3,236	3,936	3,787
Non-emergency calls answered	1,284	1,873	1,396	1,289
Priority calls-response less than 6 minutes	78%	82%	80%	83%
Public Works-				
Street-				
Street resurfacing (lane miles)	81	81	84	84
Potholes repaired annually	N/A	2,500	2,500	3,000
Signals maintained	5	28	30	36
Shop-				
Work orders	2,975	2,960	2,960	4,485
Number of departments served	13	13	13	13
Culture and Recreation-				
Library-				
Number of items circulated	385,658	435,632	492,493	545,921
Number of card holders	27,333	35,637	37,457	40,532
Number of library visits	200,000	285,176	246,185	258,017
Parks & Recreation-				
Total park acres maintained	1,173	1,173	1,187	1,573
Number of athletic fields maintained	38	38	38	38
Number of trees planted	N/A	N/A	N/A	238
Number of recreation enrollees	112,783	255,670	285,242	314,814
Water-				
New connections	1,500	1,800	1,850	1,172
Line maintenance work orders	5,000	5,113	3,267	3,810
Average monthly consumption	412,000,000	385,000,000	438,000,000	447,000,000
Sewer-				
Average monthly treatment	234,110,666	262,719,166	262,750,000	263,416,666
Line feet reviewed for infiltration & inflow	35,000	35,000	77,655	110,236

Source: City of Round Rock Finance Department

N/A - Data not available

		Fiscal Y	'ear		
2004	2005	2006	2007	2008	2009
				-	
2,625	3,592	4,013	3,754	3,749	3,908
2,669	1,942	1,907	1,990	1,997	1,646
1,679	2,326	2,072	2,512	2,449	2,960
21.00	28.30	22.80	27.90	30.10	30.30
1.49	1.50	1.50	1.46	1.52	1.52
5,219	6,709	6,430	7,463	7,690	8,000
3,959	5,376	4,977	4,592	5,656	5,800
1,260	1,333	1,453	2,871	2,034	2,200
78%	86%	83%	83%	74%	75%
72	71	124	130	135	137
3,223	3,223	4,000	4,000	4,000	4,000
36	42	52	57	59	59
4,650	4,468	4,118	5,418	5,618	6,330
15	15	18	18	19	19
	20			.,	
648,609	647,343	671,816	725,370	762,926	780,000
42,321	41,448	42,792	44,820	49,829	51,000
288,100	298,996	302,900	306,000	311,000	310,000
1,532	1,532	1,547	1,610	1,610	1,757
				•	
38	38	38	38	38	43
350	325	843	500	818	877
330,036	359,128	372,998	371,201	402,548	401,000
1,578	1,228	1,549	1,181	572	254
5,938	5,434	4,242	4,400	4,400	4,226
439,000,000	474,500,000	553,600,000	432,101,000	552,610,000	589,159,550
286,166,666	287,948,166	303,103,333	298,038,200	296,208,875	301,433,205
142,817	163,143	181,316	152,515	161,291	156,934
· · • · · · · · · · · · · · · · · · · ·	200,210	101,010	-52,010		100,701

## CITY OF ROUND ROCK, TEXAS CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

	Fiscal Year			
_	2000	2001	2002	2003
Function:				
Police-				
Number of stations	1	1	1	1
Number of patrol units	87	103	103	120
Fire-				
Number of stations	5	5	5	5
Number of fire trucks	5	6	6	8
Public Works-				
Street-				
Lane miles	215	215	220	220
Drainage miles	90	90	92	92
Number of street lights	4,610	4,610	4,610	4,610
Number of traffic signals	5	28	30	36
Shop-				
Repair facilities	1	1	1	1
Number of bays	10	10	10	19
Culture and Recreation-				
Library-				
Number of library books	107,262	115,853	130,000	134,899
Number of library facilities	1	1	1	1
Parks & Recreation-				
Total park acres	1,173	1,173	1,187	1,573
Number of athletic fields	38	38	38	38
Number of parks	57	60	76	72
Number of tennis courts	9	9	9	9
Number of pools	3	3	4	4
Water-				
Number of miles of water lines	299	299	299	394
Pumping stations	14	14	14	14
Tanks	19	19	19	18
Treatment capacity (millions of gallons/day)	27	30	35	48
Sewer-				
Number of miles of sewer mains	200	220	220	242
Wastewater lift stations	16	16	13	12

Source: City of Round Rock Finance Department

Fiscal Year

2009	2008	2007	2006	2005	2004
	-				
	1	1	1	1	1
19	189	186	142	136	126
12	107	100	172	130	120
	7	6	6	6	5
1	11	11	10	10	9
1,12	1,124	1,036	997	898	266
1,12	1,124	92	92	92	92
5,10	5,075	5,034	4,796	4,702	4,656
5,10	59	57	52	42	36
		<i>5</i> /	<i>72</i>		
	1	1	1	1	1
1	19	19	19	19	19
185,00	180,397	147,000	133,111	160,559	150,436
105,00	1	1	1	1	1
	•	•	•	•	-
1,85	1,610	1,610	1,547	1,532	1,532
4	38	38	38	38	38
6	53	53	52	52	70
2	23	23	23	23	21
	5	5	5	4	4
50	487	481	458	425	394
1	14	14	14	14	14
1	18	18	18	18	18
4	48	48	48	48	48
40	392	376	365	355	242
1	12	11	11	11	12

### CITY OF ROUND ROCK, TEXAS TOP TEN WATER CUSTOMERS SEPTEMBER 30, 2009

Name of Continue	Type Of	Water Consumption	% of Total Water Consumption
Name of Customer	Business	in Gallons	in Gallons
Fern Bluff Municipal Utility District	Municipal Utility District	352,692,800	5.195%
Williamson County Municipal Utility District # 10	Municipal Utility District	213,981,300	3.152%
Chandler Creek Municipal Utility District	Municipal Utility District	197,776,300	2.913%
Williamson County Municipal Utility District # 11	Municipal Utility District	169,373,500	2.495%
Vista Oaks Municipal Utility District	Municipal Utility District	152,952,600	2.253%
City of Cedar Park	Municipality	130,594,000	1.924%
Round Rock Independent School District	Public Schools	107,539,800	1.584%
Dell, Inc.	Electronic Equipment	101,093,800	1.489%
Walsh Ranch Municipal Utility District	Municipal Utility District	57,356,400	0.845%
AquasourceTonkawa Springs	Water Service Provider	56,545,700	0.833%
		1,539,906,200	22.683%

Source: City of Round Rock Finance Department

#### CITY OF ROUND ROCK, TEXAS WATER AND SEWER RETAIL RATES SEPTEMBER 30, 2009

Monthly Service Charge

Water rates for retail customers inside the city limits are as follows:

Volume Rate

\$2.24 per 1,000 gallons of water used by all customers	Meter Size Base	Monthly Water
•	Serving Customer	_
		\$
	5/8 inch	13.18
	3/4 inch	18.36
	1 inch	29.00
	1 1/2 inch	55.56
	2 inch	87.44
	3 inch	161.83
	4 inch	268.10
	6 inch	835.86
	8 inch	1,460.98
	10 inch	2,294.47
	12 inch	2,815.40
Sewer rates for retail customers inside the city limits are as	follows:	
Volume Rate	Monthly S	ervice Charge
\$3.02 per 1,000 gallons of water used by all customers	* Meter Size Base	Monthly Sewer
	Serving Customer	•
		\$
	5/8 inch	11.80
	5/8 inch 3/4 inch	11.80 15.40
	3/4 inch	15.40
	3/4 inch 1 inch	15.40 22.08
	3/4 inch 1 inch 1 1/2 inch	15.40 22.08 40.26
	3/4 inch 1 inch 1 1/2 inch 2 inch	15.40 22.08 40.26 62.08

8 inch

10 inch

12 inch

955.10 1,498.79

1,838.59

<sup>\*</sup> Sewer customers' volume is measured as the rate per 1,000 gallons of the lesser of a three month winter average or actual water use.