

**CITY OF ROUND ROCK, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2002**

**ELECTED OFFICIALS**

*Nyle Maxwell, Mayor*  
*Tom Nielson, Mayor Pro-tem*  
*Alan McGraw, Council Member*  
*Carrie Pitt, Council Member*  
*Scot Knight, Council Member*  
*Isabel Gallahan, Council Member*  
*Gary Coe, Council Member*

**MANAGEMENT STAFF**

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

**OFFICIAL ISSUING REPORT**

*David Kautz, Chief Financial Officer*

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## **INTRODUCTORY SECTION**





**ROUND ROCK, TEXAS**  
 PURPOSE. PASSION. PROSPERITY.

December 6, 2002

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, 2002, 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.

**Accounting System and Budgetary Control**

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.

Budgetary control is maintained at the subfunction 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 subfunction balances are not released until additional appropriations are made available. The City had no material encumbrances as of September 30, 2002.

**Mayor**  
 Nyle Maxwell

**Mayor Pro-tem**  
 Tom Nielson

**Council Members**  
 Alan McGraw  
 Carrie Pitt  
 Scot Knight  
 Isabel Gallahan  
 Gary Coe

**City Manager**  
 Jim Nuse

**City Attorney**  
 Stephan L. Sheets

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### **The Reporting Entity and Its Services**

The City of Round Rock, Texas 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 Finance Director, appointed by the City Manager, 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 and account groups 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 include police and fire protection, emergency medical services, parks and library, public health and social services, planning and zoning 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.

### **Financial Statement Presentation**

The Comprehensive Annual Financial Report is divided into three sections. The Introductory Section includes the transmittal letter and an organization chart. The Financial Section includes the independent auditors' opinion, the combined financial statements with notes thereto and supplemental financial data. The Statistical Section includes various schedules of unaudited data depicting the financial history of the City over the past ten years as well as demographic and miscellaneous statistics.

### **General Governmental Functions**

General Governmental Fund Types (General Fund, Special Revenue Funds, and Debt Service Fund) account for the majority of the City's operating revenues and expenditures. Revenues for general government functions totaled \$69,029,379 in fiscal year 2002, a decrease of approximately 1% compared to fiscal year 2001. General property taxes produced 21.2% of general revenues compared to 18.2% last year. The following table presents the amount of revenues and the increases or decreases from last year.

<u>General Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2001</u>
Property taxes and penalties	\$14,632,781	21.2%	\$ 1,923,269
Sales, franchise, hotel and other taxes	45,873,315	66.4	(1,105,284)
Licenses, permits and fees	628,550	0.9	(171,000)
Charges for services	3,282,764	4.8	272,382
Fines and forfeitures	1,078,089	1.6	243,904
Assessments	-	-	(1,021)
Intergovernmental revenues	735,590	1.1	(450,220)
Other revenues	<u>2,798,290</u>	<u>4.0</u>	<u>(1,395,337)</u>
Total	<u>\$69,029,379</u>	<u>100.0%</u>	<u>\$ (683,307)</u>

Amounts received for property taxes increased from last year due to the addition of new property, an increase in assessed valuations and continued aggressive collection efforts. Sales tax receipts declined approximately 4% due to a slowing in retail sales caused by a downturn in the technology sector. Charges for services increased largely due to expanded program and membership participation at the new recreation center and growth related expansions of services. Amounts received for fines and forfeitures increased due to the expansion of traffic enforcement personnel and activities. Intergovernmental revenues decreased primarily due to the prior year receipt of a road improvement grant. Other revenue decreased mainly as a result of a decline in market rates earned on the City's investments.

The assessed valuation of taxable property increased 20.8% over last year to \$4,498,128,019. This increase is representative of a strong economy and construction activity.

Current tax collections were 98.95% of the tax levy. The ratio of total collections (current and delinquent) to the current tax levy was 100.31%. The City has continued to utilize legal services in the collection of delinquent tax liabilities. Allocations of property tax levies by purpose for 2002 and the preceding two fiscal years were as follows (amounts per \$100/assessed value):

<u>Purpose</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
General Fund	\$ .17920	\$ .15902	\$ .17834
General obligation debt	.14287	.17129	.18461
Total tax rate	<u>\$ .32207</u>	<u>\$ .33031</u>	<u>\$ .36295</u>

Expenditures for general government purposes totaled \$57,365,754, an increase of 7.7% over 2001. Increases or decreases in levels of expenditures for major functions of the City over the preceding year are shown in the following table.

<u>Expenditures By Function</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2001</u>
General government	\$15,071,967	26.3%	\$ 396,450
Public safety	16,767,233	29.2	1,692,730
Public works	6,448,449	11.2	207,515
Culture and recreation	7,568,798	13.2	345,018
Debt service	<u>11,509,307</u>	<u>20.1</u>	<u>1,474,886</u>
Total	<u>\$57,365,754</u>	<u>100.0%</u>	<u>\$ 4,116,599</u>

General government costs reflect the eighth year of a 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 included primarily increases in personnel costs and legal fees. Public safety program expenditures increased largely due to the hiring of police and fire department personnel and equipment replacement. Increased costs in the public works area primarily reflect expansion of the street improvement and maintenance programs along with additional personnel. Culture and recreation expenditures increased due to the hiring of new personnel, park maintenance costs and costs of additional recreation programs. The increase in debt service expenditures was a result of the scheduled increase in debt principal and interest payments.

### Fund Balances

Fund balances in the general governmental operating funds were maintained at adequate levels. The following table presents actual fund balances compared to the last two years.

<u>Fund Type</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
General Fund	\$23,261,921	\$22,185,654	\$19,881,188
Special Revenue Funds	23,616,576	16,156,752	13,288,537
Debt Service Fund	<u>2,074,841</u>	<u>2,132,743</u>	<u>1,471,892</u>
Total	<u>\$48,953,338</u>	<u>\$40,475,149</u>	<u>\$34,641,617</u>

### Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens, and investors. Data for the City at the end of the 2002 fiscal year were as follows:

	<u>Amount</u>	<u>Ratio of Debt to Assessed Valuation</u>	<u>Debt per Capita</u>
General purpose debt	\$90,565,159	2.01%	\$1,236

Total outstanding general and certificate of obligation indebtedness at September 30, 2002, was \$92,640,000. After deductions of \$2,074,841 for available Debt Service Funds, the remaining \$90,565,159 is considered to be net general indebtedness. Of the total outstanding general indebtedness, \$7,995,864 is considered to be self-supporting, funded by enterprise funds.

The following tabulation presents general long-term debt issued during the past five fiscal years:

<u>Date of Issue</u>	<u>Amount</u>	<u>Series</u>	<u>Average Life In Years</u>	<u>Effective Interest Rate</u>
<b><u>Certificates of Obligation:</u></b>				
August 15, 1997	\$ 5,185,000	1997	13.51	5.54%
July 1, 1998	\$ 2,550,000	1998	12.44	4.97%
May 15, 2000	\$10,750,000	2000	15.61	5.96%
<b><u>General Obligation Bonds:</u></b>				
November 15, 1997 - Refunding	\$ 5,300,000	1997	17.94	5.24%
July 1, 1998	\$ 8,905,000	1998	19.52	5.16%
May 9, 2002	\$45,465,000	2002	13.50	4.95%
<b><u>Hotel Occupancy Tax Revenue Bonds:</u></b>				
March 25, 1999	\$ 8,605,000	1999	18.432	5.79%
<b><u>State Infrastructure Bank Loan:</u></b>				
August 28, 2000	\$16,000,000	2000	15.00	4.60%
July 31, 2002	\$15,000,000	2002	20.00	4.50%
<b><u>Sales Tax Revenue Bonds:</u></b>				
May 15, 2001	\$25,890,000	2001	12.38	5.07 %

In May 2002, the City issued \$45,465,000 in General Obligation and Refunding Bonds, Series 2002. \$10,465,000 of the proceeds of the bonds were used to advance refund \$10,450,000 in outstanding certificates of obligation and general obligation bonds. The refinancing will result in savings of approximately \$186,000 over the life of the bonds. The remaining \$35,000,000 were issued for improvements to fire and police facilities and equipment, construction of parks and public service facilities and various street improvements projects.

In July 2002, the City received a loan from the State of Texas' Infrastructure Bank for transportation improvements in the amount of \$15,000,000. The loan is secured solely by a pledge of revenues of the Round Rock Transportation System Development Corporation.

The City's general obligation bond rating is as follows:

Moody's Investor's Service  
Aa3

Standard & Poor's  
AA -

### Cash Management

The City's cash management program supports the goals of maintaining yield, security and liquidity. It is the City's policy to invest all idle cash, maximizing return on investment in compliance with the aforementioned goals. The City continued to participate in the Texas Local Government Investment Pool, an investment program administered by the Comptroller of the State of Texas. The City also invested in treasury and government agency securities and commercial paper. This program has enabled the City to maintain its cash management goals. The amount of investment income earned in fiscal year 2002 was \$4,375,189.

### Capital Projects Funds

Proceeds of general long-term debt issues are accounted for in Capital Project Funds until improvement projects are completed. Completed projects and incomplete construction in progress at year-end are capitalized in the General Fixed Assets Account Group. During 2002, project expenditures totaled \$19,412,193. A detailed summary of project-length Capital Projects Funds revenues and expenditures is included in the financial section of this report.

Authorized but unissued bonds at September 30, 2002, totaled \$56,385,000.

The Capital Project Fund balances on hand at September 30, 2002, were represented primarily by cash and investments.

### General Fixed Assets

The general fixed assets of the City are those fixed assets used in the performance of general governmental functions and exclude the fixed assets of the Enterprise Funds and the Fiduciary Funds. As of September 30, 2002, the general fixed assets of the City amounted to \$390,065,077. This amount represents the original cost of the assets and is considerably less than their present value. Depreciation of general fixed assets is not recognized in the City's accounting system.

### Water and Wastewater Enterprise Fund

The City's water and wastewater utility continues to show improvement in the number of customers and operating revenues. Scheduled uses of capital recovery 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:

	<u>2002</u>	<u>2001</u>
Operating revenues	\$23,448,046	\$21,324,244
Operating income	\$ 5,572,033	\$ 5,332,070
Income available for debt service	\$11,596,286	\$11,687,698
Annual debt service	\$ 1,583,835	\$ 1,575,210
Coverage	7.32	7.42

Growth in the customer base, adequate system capacity and increased consumption levels combined to provide strong revenue growth over the prior year.

During the year, \$1,360,000 of regularly maturing revenue bonds were retired in the Water and Wastewater Enterprise Fund. Revenue bonds outstanding as of September 30, 2002, totaled \$3,560,775.

### **Internal Service Fund**

The City has established an Internal Service Fund for the employees' medical and dental benefit plan. This fund is financed by contributions from the various City funds and through employee payroll deductions for dependents. For the year ended September 30, 2002, operating revenues totaled \$4,465,261 and operating expenses (primarily claims) were \$3,552,054.

### **Fiduciary Funds**

The City of Round Rock records fiduciary fund type activity in the following funds. The Ron Sproull Memorial Non-Expendable Trust Fund accounts for improvements and acquisitions of equipment to be utilized in the Ron Sproull Memorial Park. Funding for the activities is derived from the investment of a non-expendable trust principal amount of \$100,000.

The Library Custodial Agency Fund was established to account for funds managed by the Round Rock Public Library for donor patrons.

The Encino Plaza Public Improvement District Agency Fund was established to account for collections of assessments from Encino Plaza property owners and payment of principal and interest to the debt holders. The City has no obligation for the special assessment debt and it is not reported in the City's financial statements.

### **Risk Management**

The City is a member of the Texas Municipal League's Intergovernmental Risk 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.

### *Significant Local Economic Events*

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. For example, in March 2001, the 2000 census data was released and indicated that Round Rock, with a population listed at 61,136 had nearly doubled in size during the previous decade. Furthermore, the population growth was evidence that Round Rock was the fastest growing community when compared to cities that had at least 30,000 people in the 1990 census. Another way of looking at the information is that Round Rock grew by almost 100% since 1990. Correspondingly, Williamson County, in which Round Rock is the largest city, grew by 79% over this period of time. The County was also one of five counties statewide responsible for 80% of all net migration into Texas for this period.

In concert with these local growth statistics, Austin ranked fifth among the fastest-growing U.S. cities for this time period. Clearly, this kind of growth set the stage for not only economic opportunities such as job creation and sales taxes generated, but also service and infrastructure demands and costs. More recently, between 1996 and 2001, the population in Central Texas grew 4% annually, while job growth climbed relatively steeply at 4.4% annually. 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. In Fiscal 2002, we experienced our first sales tax receipt shortfall in more that a decade.

Sales tax receipts were \$1,326,660 less than the previous year. This figure represents a decrease of 4.2%. This trend was noted during the fiscal year and appropriate expenditure reductions were implemented. Over the past 5 years though, sales tax has increased 157% or an average growth rate of 20.8% per year. The sales tax revenue category produced 65.7% of the total revenue available to the City's general fund for this year, while the property tax levy produced 16.2%. Because of reliance on the sales tax, we anticipate changing economic cycles and do not foresee an adverse effect on City operations.

In March of 2001, the U.S. economy, having seen a decade of expansion, began to slow somewhat, although certain sectors of the economy such as technology and telecommunications had been experiencing weakness earlier. The slowing economy was then dealt a severe blow in September as the nation experienced devastating terrorist attacks in New York City and Washington D.C. The uncertain outlook caused by these terrorist actions, the ensuing military campaign in the Mid East and the weakened national economy were unsettling events which, in turn, had an adverse effect on our state and local economies.

The continued uncertainties regarding world conflicts have served to hold the economy down. Rising fuel prices have contributed to consumer fears. These fears have adversely affected consumer spending and served to cause further reductions in the workplace.

The slowdown in the high tech sector of the regional economy spawned a trickle down effect on other sectors of the economy. Lower job growth has affected the real estate market, mainly reducing demand for high-end housing in the \$400,000 range and higher. Single-family building permits in Round Rock slowed to 1,363 in 2001, down from a historic high of 1,724 in 2000, but increased to 1,401 in 2002. Commercial real estate vacancy rates have risen as companies, especially technology sectors, have reduced space requirements and new properties have completed construction. We were successful in attracting the Texas Guaranteed Student Loan Company, a large handler of student loans, that required 190,000 square feet of office space and will house 550 plus employees. A vacant building was available for use.

In spite of the sobering world events and economic downturn described above, the situation in Round Rock remains positive. We continue to be successful with our economic development programs.

The unemployment rate in Central Texas has stabilized at 4.5% and remains lower than the statewide rate of 6.2%. The growth in employment is likely to remain modest for the next year. The prospect of war in the Middle East and increased fuel prices give us reason to remain cautious about the economic prospects. Much remains to be seen as to how consumers will respond and how industry feels about plant expansions.

Dell Computer continues to be a strong economic force in the community. Through operating efficiencies and successful marketing, Dell continues to show increased earnings. Latest figures show Dell to be up 25% in gross sales and 19% in net income. Those are astounding results given the nature of the economy and the general lull in the high tech area. Dell's 28% increase in sales of PowerEdge servers was more than five times larger than server sales volumes for the rest of the industry.

Recently, site work was completed on Mays Crossing, one of the largest undeveloped lots in downtown Round Rock. The 30-acre site will be the location of a new banking facility as well as several other retail and service establishments. The banking facility under construction is expected to be open in early 2003 with other businesses opening soon thereafter.

The local hotel/motel industry is a particularly vibrant industry. In 1996, the City had 2 hotels with a total of 181 rooms. At the end of 2002, 19 hotels with a total of 1,829 rooms were open for business. During the fiscal year, 2 additional hotel businesses opened adding 103 rooms and occupancy rates remain strong, even with a slowed economy as discussed above. This strong industry bodes well for the hotel occupancy tax collections which support local tourism events and debt service for the Dell Diamond Convention Center complex.

Scott & White, A Round Rock medical facility, has begun a planned project consisting of a 77,000 square foot Scott & White Center for Diagnostic and Specialty Care on a 75 acre tract in Round Rock. The project could cost \$27 million and is expected to open in late 2004.

The City's main medical facility, Round Rock Medical Center, has announced a \$20 million expansion project. Austin based health care providers also are expanding. Seton Medical Center has embarked on a \$50 million project and St. David's Health Care Partnership has projects valued at \$200 million in the works.

The Austin area's Interstate 35 retail corridor continues to increase in density. Simon Property Group, Inc., based in Indianapolis, plans a 750,000 square foot outdoor regional mall with office and residential components on 133 acres just north of the Scott & White Round Rock site. Besides the 750,000 square feet of retail, the phased project would have 50,000 to 100,000 square feet of office space, a hotel and 250 residential units. Estimated opening date of tenants in the project is the fall of 2005. The project should ultimately create more than 2,000 jobs.

Although the local economy shows signs of slowing, local voters are interested in investing in the community. In November 2001, an \$89.8 General Obligation bond authorization for streets, public safety, parks and general improvements was passed by a more than 2-1 margin, or 70%. These capital projects will be financed and constructed over a span of 6-8 years and represent a significant upgrade and expansion of the City's infrastructure.

To adequately prepare for the effect of this activity on the City, much effort goes into planning and funding infrastructure and service programs. Biennial budgeting has become an important tool in planning for the financial impact of a fast-growing community.

In August of 1997 voters of Round Rock approved an increase in the local sales and use tax rate of  $\frac{1}{2}$  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 were approximately \$10.01 million. Next year, revenue from this sales tax source is estimated to be the same as or slightly below last year. 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 scheduled over the next several months will bring significant improvement to local and commuter traffic, thereby helping to protect the region's economic well being. Work on Texas 45, a major highway project funded by state and local funds, is underway. This extremely important road project adjacent to Dell Computer and the La Frontera development will be completed in phases. The frontage roads in Round Rock have been recently completed, providing at least 30% improvement in traffic congestion to the southern section of the City. 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 \$120 million. The local portion is funded largely by a one-half percent sales tax approved by voters for this purpose in 1997. 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.

## *Prospects For 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.

As stated earlier, the local region and Round Rock saw rapid, unprecedented growth over the past decade. Many experts say that this type of growth was unsustainable and that a slowdown, such that we have seen was imminent and, in part, somewhat welcomed. Signs point to a continuation of economic sluggishness. This sluggishness has helped make growth more manageable. It can be said that we can use this lull to re-think things and put more time into planning for the future. Make no mistake-the future of Round Rock is very bright. We have thus far shown our resilience and ability to meet challenges head-on. This rebalancing of the economic influences should be healthy for the region in the long term.

Population growth projections are expected to remain strong as the area economy rebounds, although at a slower pace than previously. 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 also be a high priority in the future as the City manages the significant growth discussed above.

As we look to the future, Round Rock is intent on advancing its economic development and is working particularly hard on diversifying the local industrial base. The City of Round Rock and the Round Rock Chamber of Commerce recently partnered to update the city's economic development plan. The plan update, titled the ***2001 Round Rock Target Industry and Marketing Strategy***, was developed by Angelou Economics and presented to the City Council in September 2001. The plan seeks to solidify the City's position as an economic leader in Central Texas through business diversification and image enhancement. The plan provides Round Rock several strategies for developing a stronger economic base through target industry recruitment and marketing the City as a premier location for high growth industries. The target industries objective seeks to diversify the economic base by expanding sectors currently deficient in the local market as well as build on existing strengths. The marketing campaign objective will provide a clear image of the City to prospective industries as a unique community with many positive assets that will help individuals and companies succeed. Full implementation of the plan is underway and will provide the City a strong industrial recruitment advantage in the future.

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

### **Independent Audit**

The City Charter requires an annual audit of the books of account, financial records and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with, and the auditors' opinion has been included in this report.

### **Certificate of Achievement**

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, 2001. This was the sixteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit 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.

*Acknowledgements*

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 Peña Swayze & Co., L.L.P. 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,

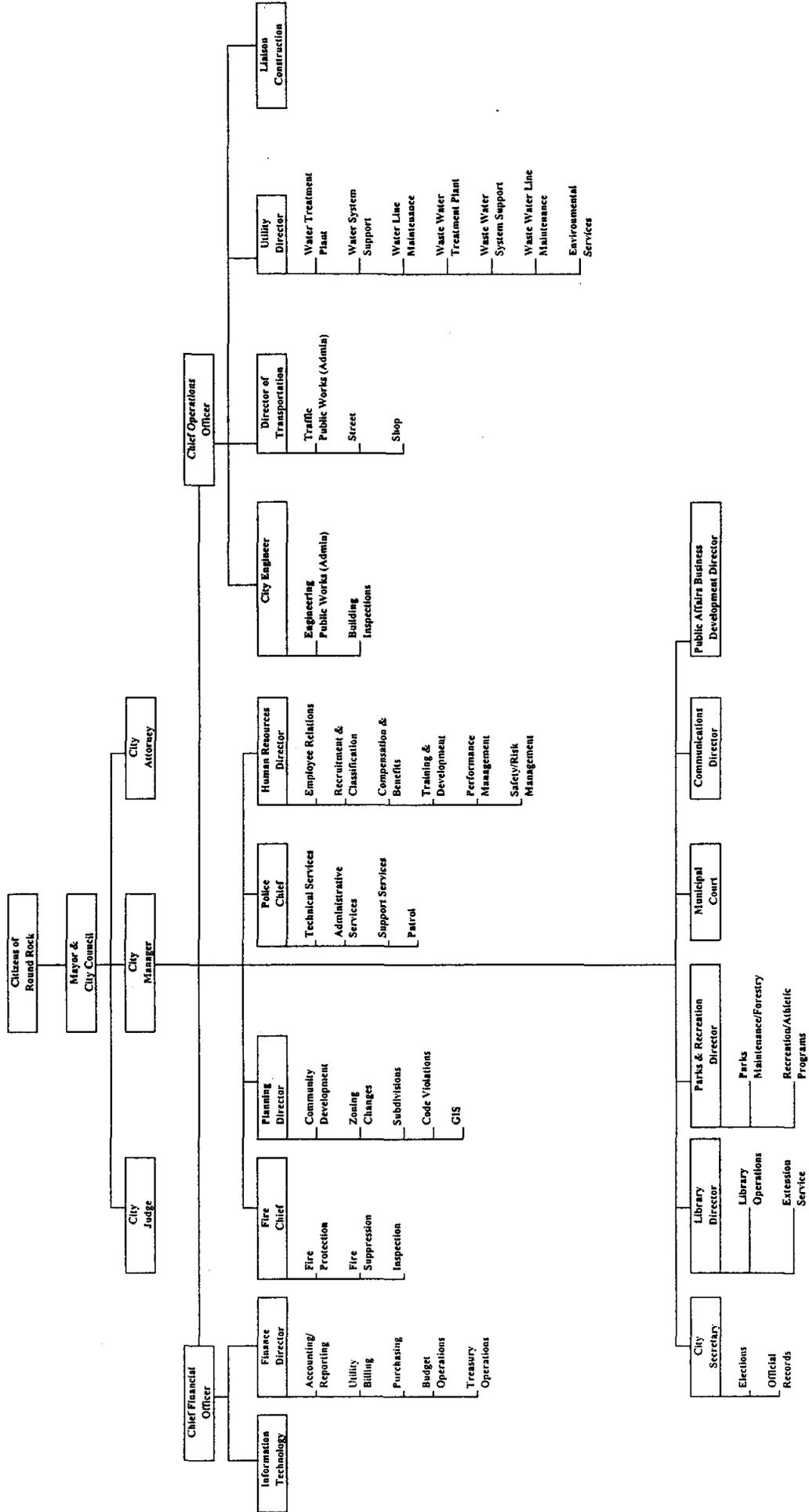
A handwritten signature in black ink, appearing to read "James R. Nuse", with a long horizontal flourish extending to the right.

James R. Nuse  
City Manager

A handwritten signature in black ink, appearing to read "David Kautz", with a stylized, looped initial "D" and a flourish at the end.

David Kautz, CGFO  
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, 2001

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.



*William Patrick Pate*  
President

*Jeffrey L. Essler*  
Executive Director

## **COMBINED FINANCIAL SECTION**





# PEÑA SWAYZE & CO., L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Steve D. Pena, C.P.A.  
R. Michael Swayze, C.P.A.  
Mary H. Bott, C.P.A.  
Connie S. Bradley, C.P.A.

Stacie A. Carter, C.P.A.  
Pam Oakes, C.P.A.  
Shelly L. Humphries, C.P.A.

## INDEPENDENT AUDITORS' REPORT

December 6, 2002

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

We have audited the accompanying general purpose financial statements of the City of Round Rock, Texas as of and for the year ended September 30, 2002, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Round Rock, Texas as of September 30, 2002, and the results of operations and the cash flows of its proprietary and similar trust fund types 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 our report dated December 6, 2002 on our consideration of the City of Round Rock's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining individual fund and account group statements and schedules, and statistical data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Round Rock, Texas. Such information, except for that portion marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in our opinion, the information is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

**GENERAL PURPOSE FINANCIAL STATEMENTS:  
COMBINED STATEMENTS - OVERVIEW**

CITY OF ROUND ROCK, TEXAS

COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2002

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2001

<u>ASSETS</u>	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Cash and cash equivalents	\$ 9,212,370	\$ 21,079,011	\$ 2,338,152	\$ 58,349,814
Investments	28,664,389	3,953,960	-	12,116,198
Receivables (net of allowances for uncollectibles) -				
Property taxes, including interest and penalties	229,345	-	245,811	-
Accounts and other	681,759	638,714	-	-
Loans	70,000	19,181	-	-
Accrued interest	351,078	-	567	100,930
Interfund receivables	193,556	-	16,330	13,778,898
Assessments	-	15,269	-	-
Intergovernmental	49,969	-	-	-
Inventories	58,418	-	-	-
Other current assets	39,684	-	-	-
Restricted assets -				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables -				
Accounts and other	-	-	-	-
Fixed assets, (net of accumulated depreciation of \$30,592,429)	-	-	-	-
Amounts to be provided for retirement of general long-term debt	-	-	-	-
Amount available in Debt Service Fund	-	-	-	-
Total assets	<u>\$39,550,568</u>	<u>\$ 25,706,135</u>	<u>\$ 2,600,860</u>	<u>\$ 84,345,840</u>

The accompanying notes are an integral part of this statement.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	2002	2001
\$ 9,429,055	\$ 403,848	\$ 945,728	\$ -	\$ -	\$ 101,757,978	\$ 71,856,691
31,931,705	-	-	-	-	76,666,252	53,307,677
-	-	-	-	-	475,156	464,085
3,805,125	44,844	-	-	-	5,170,442	4,209,031
-	-	-	-	-	89,181	19,181
358,750	-	-	-	-	811,325	709,608
1,544	1,472,683	-	-	-	15,463,011	12,785,903
-	-	-	-	-	15,269	15,269
-	-	-	-	-	49,969	41,871
31,124	-	-	-	-	89,542	91,709
85,446	-	-	-	-	125,130	95,695
15,579,919	-	-	-	-	15,579,919	19,831,440
4,978,600	-	-	-	-	4,978,600	-
437,916	-	-	-	-	437,916	-
113,058,658	-	21,154	390,065,077	-	503,144,889	447,861,231
-	-	-	-	157,308,538	157,308,538	112,492,342
-	-	-	-	2,074,841	2,074,841	2,132,743
<u>\$179,697,842</u>	<u>\$1,921,375</u>	<u>\$ 966,882</u>	<u>\$390,065,077</u>	<u>\$159,383,379</u>	<u>\$ 884,237,958</u>	<u>\$725,914,476</u>

(continued)

CITY OF ROUND ROCK, TEXAS

COMBINED BALANCE SHEET - CONTINUED  
ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2002

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2001

LIABILITIES, EQUITY & OTHER CREDITS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>LIABILITIES</b>				
Accounts payable	\$ 1,905,234	\$ 23,580	\$ 177,593	\$ 2,154,415
Accrued payroll	1,092,754	-	-	-
Interfund payables	13,101,817	1,994,169	18,241	-
Due to participants	-	-	-	-
Payable from restricted assets -				
Accounts payable	-	-	-	-
Accrued interest	-	-	105,932	-
Customer deposits	-	-	-	-
Revenue bonds	-	-	-	-
Deferred revenues	188,842	71,810	224,253	-
Leases payable	-	-	-	-
General obligation debt	-	-	-	-
Revenue bonds payable	-	-	-	-
Other debt	-	-	-	-
Accrued compensated absences	-	-	-	-
Total liabilities	<u>16,288,647</u>	<u>2,089,559</u>	<u>526,019</u>	<u>2,154,415</u>
<b>EQUITY AND OTHER CREDITS</b>				
Contributed capital -				
Developers	-	-	-	-
Other governments	-	-	-	-
Municipality	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings -				
Reserved for revenue bond retirement	-	-	-	-
Reserved for construction	-	-	-	-
Reserved for self-insurance	-	-	-	-
Unreserved	-	-	-	-
Fund balance -				
Reserved for federal seizure	-	36,633	-	-
Reserved for non-current loans receivable	-	19,181	-	-
Reserved for debt service	-	-	2,074,841	-
Reserved for endowments	-	-	-	-
Reserved for authorized construction	-	-	-	82,191,425
Unreserved -				
Undesignated	23,261,921	23,560,762	-	-
Total equity and other credits	<u>23,261,921</u>	<u>23,616,576</u>	<u>2,074,841</u>	<u>82,191,425</u>
Total liabilities, equity and other credits	<u>\$ 39,550,568</u>	<u>\$ 25,706,135</u>	<u>\$ 2,600,860</u>	<u>\$ 84,345,840</u>

The accompanying notes are an integral part of this statement.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	2002	2001
\$ 1,355,943	\$ 114,190	\$ 1,838	\$ -	\$ -	\$ 5,732,793	\$ 5,501,406
164,479	-	-	-	-	1,257,233	1,194,740
348,784	-	-	-	-	15,463,011	12,785,903
-	-	837,794	-	-	837,794	760,932
546,650	-	-	-	-	546,650	111,094
30,824	-	-	-	-	136,756	185,525
715,966	-	-	-	-	715,966	699,150
1,235,000	-	-	-	-	1,235,000	1,360,000
374,604	-	-	-	-	859,509	430,634
-	-	-	-	1,486,643	1,486,643	1,707,605
-	-	-	-	92,640,000	92,640,000	61,262,000
2,325,775	-	-	-	8,605,000	10,930,775	12,132,700
-	-	-	-	54,781,690	54,781,690	41,125,919
180,840	-	-	-	1,870,046	2,050,886	2,080,032
<u>7,278,865</u>	<u>114,190</u>	<u>839,632</u>	<u>-</u>	<u>159,383,379</u>	<u>188,674,706</u>	<u>141,337,640</u>
75,475,338	-	-	-	-	75,475,338	75,475,338
243,774	-	-	-	-	243,774	243,774
15,064,237	-	-	-	-	15,064,237	15,064,237
-	-	-	390,065,077	-	390,065,077	349,158,948
786,014	-	-	-	-	786,014	986,973
12,298,571	-	-	-	-	12,298,571	16,676,505
-	1,807,185	-	-	-	1,807,185	884,724
68,551,043	-	-	-	-	68,551,043	40,621,957
-	-	-	-	-	36,633	131,924
-	-	-	-	-	19,181	19,181
-	-	-	-	-	2,074,841	2,132,743
-	-	100,000	-	-	100,000	100,000
-	-	-	-	-	82,191,425	44,858,876
-	-	27,250	-	-	46,849,933	38,221,656
<u>172,418,977</u>	<u>1,807,185</u>	<u>127,250</u>	<u>390,065,077</u>	<u>-</u>	<u>695,563,252</u>	<u>584,576,836</u>
<u>\$ 179,697,842</u>	<u>\$ 1,921,375</u>	<u>\$ 966,882</u>	<u>\$390,065,077</u>	<u>\$159,383,379</u>	<u>\$ 884,237,958</u>	<u>\$725,914,476</u>

CITY OF ROUND ROCK, TEXAS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

YEAR ENDED SEPTEMBER 30, 2002

WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2001

	Governmental Fund Types	
	General	Special Revenue
Revenues -		
Taxes and franchise, including interest and penalties	\$ 42,509,014	\$ 10,012,966
Licenses, permits and fees	628,550	-
Charges for services	3,282,764	-
Fines and forfeitures	1,015,020	63,069
Assessments	-	-
Intergovernmental	352,099	383,491
Hotel occupancy tax	-	1,477,050
Investment and other	1,992,446	720,414
Contributions	-	706
Total revenues	<u>49,779,893</u>	<u>12,657,696</u>
Expenditures -		
Current -		
General government	14,521,001	550,966
Public safety	16,626,233	141,000
Public works	6,448,449	-
Culture and recreation	7,330,498	238,300
Debt service -		
Principal retirement	-	-
Interest and fiscal charges	-	-
Capital projects	-	-
Total expenditures	<u>44,926,181</u>	<u>930,266</u>
Excess (deficiency) of revenues over expenditures	<u>4,853,712</u>	<u>11,727,430</u>
Other financing sources (uses) -		
Lease purchase proceeds	575,000	-
Operating transfers in	1,160,000	1,260,620
Operating transfers out	(5,512,445)	(5,528,226)
Bond and other debt proceeds, net of issuance costs	-	-
Proceeds of refunding bonds	-	-
Payment to refunded bond escrow agent	-	-
Advance refunding escrow	-	-
Total other financing sources (uses)	<u>(3,777,445)</u>	<u>(4,267,606)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>1,076,267</u>	<u>7,459,824</u>
Fund balances, October 1, 2001	<u>22,185,654</u>	<u>16,156,752</u>
Fund balances, September 30, 2002	<u>\$ 23,261,921</u>	<u>\$ 23,616,576</u>

The accompanying notes are an integral part of this statement.

Governmental Fund Types		Totals (Memorandum Only)	
Debt Service	Capital Projects	2002	2001
\$ 6,507,066	\$ -	\$ 59,029,046	\$ 58,333,682
-	-	628,550	799,550
-	-	3,282,764	3,010,382
-	-	1,078,089	834,185
-	-	-	1,021
-	-	735,590	1,260,810
-	-	1,477,050	1,354,429
84,724	901,992	3,699,576	5,502,272
-	268,408	269,114	791,421
<u>6,591,790</u>	<u>1,170,400</u>	<u>70,199,779</u>	<u>71,887,752</u>
-	-	15,071,967	14,675,517
-	-	16,767,233	15,074,503
-	-	6,448,449	6,240,934
-	-	7,568,798	7,223,780
5,777,190	-	5,777,190	5,095,748
5,732,117	-	5,732,117	4,938,673
-	19,412,193	19,412,193	30,831,239
<u>11,509,307</u>	<u>19,412,193</u>	<u>76,777,947</u>	<u>84,080,394</u>
<u>(4,917,517)</u>	<u>(18,241,793)</u>	<u>(6,578,168)</u>	<u>(12,192,642)</u>
-	-	575,000	1,000,000
5,162,318	5,982,539	13,565,477	20,430,957
(4,703)	(70,295)	(11,115,669)	(17,827,727)
-	49,662,098	49,662,098	25,435,000
10,786,861	-	10,786,861	-
(10,786,861)	-	(10,786,861)	-
(298,000)	-	(298,000)	-
<u>4,859,615</u>	<u>55,574,342</u>	<u>52,388,906</u>	<u>29,038,230</u>
(57,902)	37,332,549	45,810,738	16,845,588
<u>2,132,743</u>	<u>44,858,876</u>	<u>85,334,025</u>	<u>68,488,437</u>
<u>\$ 2,074,841</u>	<u>\$ 82,191,425</u>	<u>\$ 131,144,763</u>	<u>\$ 85,334,025</u>

**CITY OF ROUND ROCK, TEXAS**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL**

**GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES**

**YEAR ENDED SEPTEMBER 30, 2002**

	General Fund		Variance - Favorable (Unfavorable)
	Actual	Budget	
<b>Revenues -</b>			
Taxes and franchise, including interest and penalties	\$ 42,509,014	\$ 42,383,406	\$ 125,608
Licenses, permits and fees	628,550	683,800	(55,250)
Charges for services	3,282,764	3,149,425	133,339
Fines and forfeitures	1,015,020	907,300	107,720
Assessments	-	-	-
Intergovernmental	352,099	296,672	55,427
Hotel occupancy tax	-	-	-
Investment and other	1,992,446	1,851,252	141,194
Contributions	-	-	-
<b>Total revenues</b>	<u>49,779,893</u>	<u>49,271,855</u>	<u>508,038</u>
<b>Expenditures -</b>			
<b>Current -</b>			
General government	14,521,001	14,637,440	116,439
Public safety	16,626,233	16,671,838	45,605
Public works	6,448,449	6,584,531	136,082
Culture and recreation	7,330,498	7,443,381	112,883
<b>Debt service -</b>			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<u>44,926,181</u>	<u>45,337,190</u>	<u>411,009</u>
<b>Excess (deficiency) of revenues         over expenditures</b>	<u>4,853,712</u>	<u>3,934,665</u>	<u>919,047</u>
<b>Other financing sources (uses) -</b>			
Lease purchase proceeds	575,000	575,000	-
Operating transfers in	1,160,000	1,160,000	-
Operating transfers out	(5,512,445)	(5,512,445)	-
Proceeds of refunding bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Advance refunding escrow	-	-	-
<b>Total other financing sources (uses)</b>	<u>(3,777,445)</u>	<u>(3,777,445)</u>	<u>-</u>
<b>Excess (deficiency) of revenues and         other financing sources over         expenditures and other uses</b>	<u>1,076,267</u>	<u>\$ 157,220</u>	<u>\$ 919,047</u>
<b>Fund balances, October 1, 2001</b>	<u>22,185,654</u>		
<b>Fund balances, September 30, 2002</b>	<u>\$ 23,261,921</u>		

Special Revenue Funds			Debt Service Fund		
Actual	Budget	Variance - Favorable (Unfavorable)	Actual	Budget	Variance - Favorable (Unfavorable)
\$ 10,012,966	\$ 10,559,026	\$ (546,060)	\$ 6,507,066	\$ 6,240,000	\$ 267,066
-	-	-	-	-	-
-	-	-	-	-	-
63,069	21,500	41,569	-	-	-
-	-	-	-	-	-
383,491	690,397	(306,906)	-	-	-
1,477,050	1,325,000	152,050	-	-	-
720,414	605,456	114,958	84,724	90,000	(5,276)
706	-	706	-	-	-
<u>12,657,696</u>	<u>13,201,379</u>	<u>(543,683)</u>	<u>6,591,790</u>	<u>6,330,000</u>	<u>261,790</u>
550,966	714,602	163,636	-	-	-
141,000	141,000	-	-	-	-
-	-	-	-	-	-
238,300	321,625	83,325	-	-	-
-	-	-	5,777,190	5,777,190	-
-	-	-	5,732,117	5,796,754	64,637
<u>930,266</u>	<u>1,177,227</u>	<u>246,961</u>	<u>11,509,307</u>	<u>11,573,944</u>	<u>64,637</u>
<u>11,727,430</u>	<u>12,024,152</u>	<u>(296,722)</u>	<u>(4,917,517)</u>	<u>(5,243,944)</u>	<u>326,427</u>
-	-	-	-	-	-
1,260,620	627,220	633,400	5,162,318	4,970,914	191,404
(5,528,226)	(4,893,349)	(634,877)	(4,703)	-	(4,703)
-	-	-	10,786,861	10,786,861	-
-	-	-	(10,786,861)	(10,786,861)	-
-	-	-	(298,000)	-	(298,000)
<u>(4,267,606)</u>	<u>(4,266,129)</u>	<u>(1,477)</u>	<u>4,859,615</u>	<u>4,970,914</u>	<u>(111,299)</u>
7,459,824	\$ 7,758,023	\$ (298,199)	(57,902)	\$ (273,030)	\$ 215,128
16,156,752			2,132,743		
<u>\$ 23,616,576</u>			<u>\$ 2,074,841</u>		

CITY OF ROUND ROCK, TEXAS

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN RETAINED EARNINGS / FUND BALANCES

PROPRIETARY FUND TYPES AND SIMILAR TRUST FUND

YEAR ENDED SEPTEMBER 30, 2002

WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2001

	Proprietary Fund Types		Fiduciary Fund Type -	Totals	
	Enterprise	Internal Service	Nonexpendable Trust	(Memorandum Only)	
				2002	2001
Operating revenues -					
Charges for services	\$ 24,012,958	\$ 4,465,261	\$ -	\$ 28,478,219	\$ 25,877,712
Investment and other	-	-	2,127	2,127	5,565
Total operating revenues	<u>24,012,958</u>	<u>4,465,261</u>	<u>2,127</u>	<u>28,480,346</u>	<u>25,883,277</u>
Operating expenses -					
Personal services	4,363,532	-	-	4,363,532	3,660,770
Contractual services	6,467,854	585,593	-	7,053,447	5,513,007
Supplies	589,146	-	-	589,146	563,993
Materials	920,465	-	-	920,465	1,801,163
Heat, light and power	1,418,648	-	-	1,418,648	1,590,637
Claims expense	-	2,966,461	-	2,966,461	2,952,298
Bad debts	81,526	-	-	81,526	71,078
Depreciation	4,195,862	-	5,232	4,201,094	3,501,735
Total operating expenses	<u>18,037,033</u>	<u>3,552,054</u>	<u>5,232</u>	<u>21,594,319</u>	<u>19,654,681</u>
Operating income (loss)	<u>5,975,925</u>	<u>913,207</u>	<u>(3,105)</u>	<u>6,886,027</u>	<u>6,228,596</u>
Non-operating revenues (expenses) -					
Investment and other revenue	2,002,121	9,254	-	2,011,375	3,060,367
Other non-operating expenses	(372,658)	-	-	(372,658)	(286,426)
Interest and fiscal charges	(247,305)	-	-	(247,305)	(314,469)
Total non-operating revenues (expenses)	<u>1,382,158</u>	<u>9,254</u>	<u>-</u>	<u>1,391,412</u>	<u>2,459,472</u>
Income (loss) before operating transfers	<u>7,358,083</u>	<u>922,461</u>	<u>(3,105)</u>	<u>8,277,439</u>	<u>8,688,068</u>
Contributions and transfers					
Contributions-impact fees	7,191,219	-	-	7,191,219	-
Developer contributions- infrastructure	11,250,699	-	-	11,250,699	-
Operating transfers (out)	(2,449,808)	-	-	(2,449,808)	(2,603,230)
Total contributions and operating transfers	<u>15,992,110</u>	<u>-</u>	<u>-</u>	<u>15,992,110</u>	<u>(2,603,230)</u>
Net income (loss)	<u>23,350,193</u>	<u>922,461</u>	<u>(3,105)</u>	<u>24,269,549</u>	<u>6,084,838</u>
Retained earnings/fund balance, October 1, 2001	<u>58,285,435</u>	<u>884,724</u>	<u>130,355</u>	<u>59,300,514</u>	<u>53,215,676</u>
Retained earnings/fund balance, September 30, 2002	<u>\$ 81,635,628</u>	<u>\$ 1,807,185</u>	<u>\$ 127,250</u>	<u>\$ 83,570,063</u>	<u>\$ 59,300,514</u>

The accompanying notes are an integral part of this statement.

CITY OF ROUND ROCK, TEXAS

COMBINED STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPES AND SIMILAR TRUST FUND

YEAR ENDED SEPTEMBER 30, 2002  
 WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2001

	Proprietary Fund Types		Fiduciary	Totals	
	Enterprise	Internal Service	Fund Type -	(Memorandum Only)	
			Nonexpendable Trust	2002	2001
Cash flows from operating activities:					
Operating income (loss)	\$ 5,975,925	\$ 913,207	\$ (3,106)	\$ 6,886,026	\$ 6,228,596
Adjustments to reconcile net operating income to net cash provided by operating activities:					
Depreciation	4,195,862	-	5,232	4,201,094	3,501,735
Investment income-Nonexpendable Trust	-	-	(2,127)	(2,127)	(5,565)
(Increase) decrease in receivables	(679,509)	364,703	-	(314,806)	(576,811)
(Increase) in interfund receivables	(1,544)	(800,701)	-	(802,245)	(239,204)
(Increase) decrease in other assets	(65,416)	-	-	(65,416)	247,077
(Increase) decrease in restricted assets	(437,916)	-	-	(437,916)	127,258
Increase (decrease) in accounts payable	141,639	(567,357)	(2,986)	(428,704)	1,412,877
Increase in accrued payroll	54	-	-	54	39,697
Increase (decrease) in interfund payables	221,001	-	-	221,001	(315,127)
Increase (decrease) in payables from restricted assets	441,031	-	-	441,031	(1,941,957)
Increase (decrease) in deferred revenue	374,604	-	-	374,604	(14,157)
Increase in compensated absences	25,369	-	-	25,369	12,044
Total adjustments	4,215,175	(1,003,355)	119	3,211,939	2,247,867
Net cash provided (used) by operations	10,191,100	(90,148)	(2,987)	10,097,965	8,476,463
Cash flows from noncapital financing activities:					
Operating transfers to other funds	(2,449,808)	-	-	(2,449,808)	(2,603,230)
Net cash used for noncapital financing activities	(2,449,808)	-	-	(2,449,808)	(2,603,230)
Cash flows from capital and related financing activities:					
Receipts of capital contributions	7,191,219	-	-	7,191,219	8,431,932
Acquisition and construction of capital assets	(8,646,066)	-	-	(8,646,066)	(5,756,378)
Proceeds from sale of capital assets	1,318,142	-	-	1,318,142	25,260
Principal paid on revenue bonds	(1,326,925)	-	-	(1,326,925)	(1,251,925)
Other non-operating expenses	(372,658)	-	-	(372,658)	-
Interest and fiscal charges paid	(247,305)	-	-	(247,305)	(314,469)
Net cash provided (used) by capital and related financing activities	(2,083,593)	-	-	(2,083,593)	1,134,420

(continued)

The accompanying notes are an integral part of this statement.

CITY OF ROUND ROCK, TEXAS

COMBINED STATEMENT OF CASH FLOWS - CONTINUED  
 PROPRIETARY FUND TYPES AND SIMILAR TRUST FUND

YEAR ENDED SEPTEMBER 30, 2002  
 WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2001

	Proprietary Fund Types		Fiduciary	Totals	
	Enterprise	Internal Service	Fund Type - Nonexpendable Trust	(Memorandum Only)	
				2002	2001
Cash flows from investing activities:					
Purchase of investments	\$ (24,661,020)	\$ -	\$ -	\$ (24,661,020)	\$ (31,008,511)
Proceeds from sale of investments	13,193,739	-	-	13,193,739	27,307,722
Investment and other income	2,002,121	9,254	2,127	2,013,502	3,065,932
Net cash provided (used) by investing activities	(9,465,160)	9,254	2,127	(9,453,779)	(634,857)
Net increase (decrease) in cash and cash equivalents	(3,807,461)	(80,894)	(860)	(3,889,215)	6,372,796
Cash and cash equivalents at beginning of year	28,816,435	484,742	106,956	29,408,133	23,035,336
Cash and cash equivalents at end of year	\$ 25,008,974	\$ 403,848	\$ 106,096	\$ 25,518,918	\$ 29,408,132
<u>Reconciliation of Cash and Cash Equivalents to Combined Balance Sheet</u>					
Cash and cash equivalents	\$ 9,429,055	\$ 403,848	\$ 945,728	\$ 10,778,631	\$ 10,341,245
Restricted assets -					
Cash and cash equivalents	15,579,919	-	-	15,579,919	19,831,440
Cash and cash equivalents - Agency Funds	-	-	(839,632)	(839,632)	(764,553)
Cash and cash equivalents	\$ 25,008,974	\$ 403,848	\$ 106,096	\$ 25,518,918	\$ 29,408,132

NOTES:

(1) Noncash capital and related financing activities:

In fiscal year 2002, the Proprietary Fund Type-Enterprise had \$ 11,250,699 in capital assets contributed, amortized \$ 33,075 of deferred loss on refunding of debt, and recognized \$ 23,960 in unrealized investment gains.

The accompanying notes are an integral part of this statement.

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**NOTE 1 – SUMMARY OF PRINCIPAL ACCOUNTING POLICIES**

The City of Round Rock, Texas is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). 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 consists of many different activities. 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, public health and social services, planning and zoning, a waterworks and sewer utility system and a staff to provide the necessary support to these service providers. 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 units, entities 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**

The accounts of the City are organized and operated on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts that comprise its assets, liabilities, fund balances or

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**NOTE 1 – SUMMARY OF PRINCIPAL ACCOUNTING POLICIES - continued****(B) Basis of Presentation - continued**

retained earnings, revenues and expenditures or expenses. The various funds are grouped by category and type in the financial statements. The City maintains the following fund types within three broad fund categories and account groups.

**(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:

**General Fund** - The **General Fund** accounts for financial resources in use for general types of operations which are not encompassed within other funds.

**Special Revenue Funds** - **Special Revenue Funds** 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 thirteen major groups of funds within the Special Revenue Fund 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:

- *1981 Community Development Block Grant Fund*
- *Public Education Programs Fund*
- *Street and Bridge Fund*
- *Hotel-Motel Occupancy Tax Fund*
- *Brown Foundation Grant Fund*
- *Police Special Revenue Fund*
- *Municipal Court Fund*
- *Landscape Fund*
- *Convention Center Revenue Fund*
- *Park Valley Drive Grant Fund*
- *Round Rock Transportation System Development Corporation Fund*
- *Community Development Block Grant Fund*
- *Annexation Fees Fund*

NOTE 1 – SUMMARY OF PRINCIPAL ACCOUNTING POLICIES – continued(C) Governmental Fund Types - continued

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**Capital Projects Funds** - The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary and Trust Funds).

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

- *Streets and Drainage*
- *1995 Series Certificates of Obligation (Yard and Fire Improvements Fund)*
- *Park Development*
- *1985-A Series General Obligation Bonds (Streets, Parks and General Development Fund)*
- *1990 Series Certificates of Obligation (City Hall Complex)*
- *Self-Financed Construction*
- *1996 Series G.O. Bonds (Streets, Parks and Library Improvements)*
- *1997 Series Certificates of Obligation (Streets and Public Safety Improvements)*
- *1998 Series General Obligation Bonds (Public Works, Police and Parks Facilities Improvements)*
- *Round Rock Transportation System Development Corporation*
- *1999 Series Hotel Tax Revenue Bonds (Convention Center Complex)*
- *2000 Series Certificates of Obligation (Municipal Complex, Park Land & Streets)*
- *2002 Series General Obligation Bonds*

(D) Proprietary Fund Types

The Proprietary Funds are used to account for the City's ongoing organizations and activities which 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.

**Enterprise Fund** - The Enterprise Fund 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 Wastewater System Fund and the Golf Course Fund. These funds are primarily supported by user charges.

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**NOTE 1 – SUMMARY OF PRINCIPAL ACCOUNTING POLICIES – continued****(D) Proprietary Fund Types - continued**

**Internal Service Fund** - 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.

**(E) Fiduciary Fund Types**

**Fiduciary Funds** are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Each trust fund is classified for accounting measurement purposes as either a governmental fund or a proprietary fund. The City maintains the following Fiduciary Fund types:

**Nonexpendable Trust Fund** – The **Nonexpendable Trust Fund** is accounted for in the same manner as proprietary funds with the measurement focus on determination of net income and capital maintenance. The Nonexpendable Trust Fund is the Sproull Memorial Endowment Fund. It is used to fund park improvements.

**Agency Funds** - The **Agency Funds** are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The Agency Funds consist of the Library Custodial and Encino Plaza Public Improvement District Funds.

**(F) Account Groups**

**Account groups** are used to establish accounting control and accountability for the City's general fixed assets and general long-term liabilities. The following are the account groups maintained by the City:

**General Fixed Assets Account Group** - This account group is established to account for all fixed assets of the City other than those accounted for in the proprietary and nonexpendable trust funds.

**General Long-Term Debt Account Group** - This account group is established to account for all general long-term liabilities other than those accounted for in the proprietary fund and to provide control over unmatured general obligation bonds and other long-term liabilities.

The two account groups are not funds. They only measure financial position and are not involved with measurement of results of operations.

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**NOTE 1 – SUMMARY OF PRINCIPAL ACCOUNTING POLICIES - continued****(G) Basis of Accounting****Governmental and Agency Funds**

All governmental and agency 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.

**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.

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.

Sales and hotel taxes, franchise fees, and special assessments are recorded when susceptible to accrual, both measurable and available. 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.

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**NOTE 1 – SUMMARY OF PRINCIPAL ACCOUNTING POLICIES - continued*****(G) Basis of Accounting - continued***

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a 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 combined 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 general long-term debt which are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

**Proprietary and Nonexpendable Trust Funds**

Proprietary funds and nonexpendable trust 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.

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.

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NOTE 1 – SUMMARY OF PRINCIPAL ACCOUNTING POLICIES - continued***(H) Budgets and 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.
- (2) 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.

NOTE 1 – SUMMARY OF PRINCIPAL ACCOUNTING POLICIES - continued(H) Budgets and Budgetary Accounting - continued

Budgeted amounts are as originally adopted, or as amended by the City Council on October 10, 2002. Amendments to Special Revenue and Debt Service Funds were not material to the original appropriations. The original budget of the General Fund was amended once during 2002. The following table compares original to amended budgets.

	Original Budget	Amendments Increase (Decrease)	Amended Budget
<b>Revenues -</b>			
Taxes and franchise, including interest and penalties	\$43,299,486	\$( 916,080)	\$42,383,406
Licenses, permits and fees	962,800	( 279,000)	683,800
Charges for services	2,728,425	421,000	3,149,425
Fines and forfeitures	802,300	105,000	907,300
Intergovernmental	710,123	( 413,451)	296,672
Investment and other	1,867,252	( 16,000)	1,851,252
Total revenues	50,370,386	(1,098,531)	49,271,855
<b>Expenditures -</b>			
<b>Current -</b>			
General government	16,530,655	(1,893,215)	14,637,440
Public safety	18,944,346	(2,272,508)	16,671,838
Public works	8,446,981	(1,862,450)	6,584,531
Culture and recreation	7,695,176	(251,795)	7,443,381
Total expenditures	51,617,158	(6,279,968)	45,337,190
Excess (deficiency) of revenues over expenditures	(1,246,772)	5,181,437	3,934,665
<b>Other financing sources (uses) -</b>			
Lease purchase proceeds	675,000	(100,000)	575,000
Operating transfers in	1,160,000	-	1,160,000
Operating transfers out	-	(5,512,445)	(5,512,445)
Total other financing sources (uses)	1,835,000	(5,612,445)	(3,777,445)
Excess of revenues and other financing sources over expenditures and other uses	\$ 588,228	\$ 431,008	\$ 157,220

NOTE 1 – SUMMARY OF PRINCIPAL ACCOUNTING POLICIES – continued(I) Encumbrances

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

(J) Cash

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.

(K) Inventories

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

(L) Fixed Assets

**Fixed assets** owned by the Enterprise Fund and Nonexpendable Trust Fund are stated at historical cost. Maintenance and repairs are charged to operations as incurred, and improvements and betterments, which extend the useful lives of fixed assets, are capitalized.

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:

<i>Buildings</i>	<i>30 – 50 years</i>
<i>Improvements other than buildings</i>	<i>10 – 40 years</i>
<i>Machinery and equipment</i>	<i>5 – 10 years</i>

When fixed assets of the Enterprise Fund or Nonexpendable Trust Fund are retired or otherwise disposed of, a gain or loss on disposal of assets is recognized.

For the Enterprise Fund's fixed 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 \$247,305.

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NOTE 1 – SUMMARY OF PRINCIPAL ACCOUNTING POLICIES - continued*(L) Fixed Assets - continued*

General fixed assets have been acquired for general governmental purposes. Assets purchased or constructed are recorded as expenditures in the governmental fund type and capitalized at historical cost in the General Fixed Asset Account Group. Contributed fixed assets are recorded as general fixed assets at estimated fair market value at the time received.

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

No depreciation has been provided on general fixed assets. No interest has been capitalized on general fixed assets.

*(M) Long-Term Debt*

General obligation bonds which have been issued to fund capital projects of both the general government and certain proprietary funds are to be repaid from tax revenues of the City. General obligation debt is recorded exclusively in the General Long-Term Debt Account Group. Any proceeds from issuance of general obligation bonds, which are utilized for construction of proprietary fund fixed assets, are reported as increases in equity contributions in the applicable proprietary fund.

The General Long-Term Debt Account Group also contains Hotel Occupancy Tax Revenue Bonds, which 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 and are to be repaid from net revenues of the utility systems, are recorded in the Enterprise Fund.

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.

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**NOTE 1 – SUMMARY OF PRINCIPAL ACCOUNTING POLICIES - continued****(N) 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*

In accordance with the above criteria, the City has used the vesting method to calculate the accrued liability for vacation and sick leave pay, which has been earned but not taken by City employees. For governmental funds, the liability for accumulated vacation and sick leave benefits is recorded in the General Long-Term Debt Account Group since it is anticipated that none of the liability will be liquidated with expendable available financial resources. The liability for accumulated vacation and sick pay is recorded in the Proprietary Fund as accrued compensated absences payable.

**(O) Transactions Between Funds**

During the course of normal operations, the City has numerous transactions between funds. Non-recurring or non-routine transfers of equity between funds are treated as residual equity transfers and are reported as additions to or deductions from the fund balance of governmental funds. Residual equity transfers to proprietary funds are reported as reductions of retained earnings or contributed capital as is appropriate in the circumstances. All other legally authorized transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

**(P) Restricted Assets**

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

Retained earnings have been reserved 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).

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**NOTE 1 – SUMMARY OF PRINCIPAL ACCOUNTING POLICIES - continued****(Q) Other Assets**

For advance refundings in defeasance of debt reported in the Proprietary Fund types, the difference between the reacquisition price and the net carrying amount of the refunded debt is deferred and amortized as a component of interest expense over the remaining life of the refunding debt.

**(R) Fund Equity**

Components of fund equity include the following:

- (1) Reserves – amounts not appropriable, legally segregated for specific usage or commitments to outside third parties.
  - a. Fund balance reservations:
    - i. Federal seizure – reserved for expenditures on law enforcement expenditures as authorized by state law for asset forfeiture monies.
    - ii. Non-current loans receivable – reserved for 1981 Community Development Block Grant loans receivable.
    - iii. Debt service – reserved for the retirement of general long-term debt.
    - iv. Endowments – reserved for the principal amount of the original contribution.
    - v. Authorized construction – reserved to fund capital projects.
  - b. Retained earnings reservations:
    - i. Revenue bond retirement – reserved for the retirement of revenue bonds.
    - ii. Construction – funds whose source is restricted for future capital improvements.
    - iii. Self-insurance – reserved for future claims.
- (2) Contributed Capital – represents amounts acquired by proprietary funds through contributions from other funds, governments, and developers.

**(S) 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.

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**NOTE 1 – SUMMARY OF PRINCIPAL ACCOUNTING POLICIES - continued****(S) Tap-In (Connection Fees) and Impact Fees - continued**

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 with Governmental Accounting Standards Board Statement 33 on October 1, 2001, impact fees are recorded as contributions revenue in the Enterprise Fund.

**(T) Comparative Data**

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, complete comparative data, (i.e. presentation of prior year totals by fund type) have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

**(U) Totals (Memorandum Only) Columns**

The accompanying general purpose financial statements are a combined overview of the financial position and results of operations of the City and cash flows for proprietary fund types. The "**Totals (Memorandum Only)**" columns are presented for general information purposes and are not meant to fairly present financial position or results of operations for the City as a whole in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation, as interfund eliminations have not been made in the aggregation of data.

**(V) Reclassification**

Reclassification of certain 2001 amounts has been made to conform to 2002 presentation.

**(W) New Accounting Standards**

GASB issued Statement No. 34 in June, 1999. This pronouncement, entitled *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, established new reporting requirements. These requirements apply to the City of Round Rock in its fiscal year ending September 30, 2003. The City has not yet determined the impact of implementing this statement.

GASB Statement No. 33 was implemented effective October 1, 2001. This pronouncement, entitled *Accounting for Financial Reporting for Nonexchange Transactions* affected the recognition of impact fees. Previously considered a capital contribution, impact fees were directly credited to fund equity. Beginning with the implementation of this standard, they are recognized as income.

NOTE 2 – PROPERTY TAXES

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 County 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 2001 tax roll. The tax rate, based on total taxable assessed valuation of \$ 4,498,128,019 was \$.32207 on each \$100 valuation and was allocated to the General Fund and Debt Service Fund at \$.1792 and \$.14287 respectively.

Property taxes receivable at September 30, 2002, consisted of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Current year levy	\$102,382	\$ 72,291	\$174,673
Prior years' levies	<u>157,205</u>	<u>197,737</u>	<u>354,942</u>
	259,587	270,028	529,615
Less - allowance for uncollectible taxes	<u>(30,242)</u>	<u>(24,217)</u>	<u>(54,459)</u>
	<u>\$229,345</u>	<u>\$245,811</u>	<u>\$475,156</u>

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.

SEPTEMBER 30, 2002

**NOTE 3 – INTERFUND ACCOUNTS**

A summary of interfund accounts follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>General Fund</b>	<u>\$ 193,556</u>	<u>\$13,101,817</u>
<b>Special Revenue Funds –</b>		
Round Rock Transportation System Development Corporation	<u>-</u>	<u>1,994,169</u>
<b>Debt Service Fund</b>	<u>16,330</u>	<u>18,241</u>
<b>Capital Projects Funds –</b>		
Self Financed Construction Fund	13,626,354	-
Round Rock Transportation System Development Corporation	<u>152,544</u>	<u>-</u>
<b>Total Capital Projects Funds</b>	<u>13,778,898</u>	<u>-</u>
<b>Enterprise Funds –</b>		
Water and Wastewater Fund	<u>1,544</u>	<u>348,784</u>
<b>Internal Service Fund</b>	<u>1,472,683</u>	<u>-</u>
	<u>\$ 15,463,011</u>	<u>\$ 15,463,011</u>

**CITY OF ROUND ROCK, TEXAS**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**SEPTEMBER 30, 2002**

**NOTE 4 – FIXED ASSETS**

The following is a summary of changes to fixed assets in the General Fixed Asset Account Group:

	<u>October 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>September 30, 2002</u>
Land	\$ 16,162,331	\$ 56,783	\$ -	\$ 16,219,114
Buildings and improvements	268,448,096	27,817,459	28,362	296,237,193
Construction in progress	43,297,594	19,642,639	7,441,400	55,498,833
Equipment	<u>21,250,927</u>	<u>2,162,369</u>	<u>1,303,359</u>	<u>22,109,937</u>
	<u>\$349,158,948</u>	<u>\$49,679,250</u>	<u>\$ 8,773,121</u>	<u>\$390,065,077</u>

The following is a summary of fixed assets in the Enterprise Fund and Nonexpendable Trust Fund:

	<u>Enterprise Fund</u>	<u>Nonexpendable Trust Fund</u>
Land	\$ 2,429,773	\$10,001
Buildings and improvements	121,774,314	61,194
Machinery and equipment	<u>6,676,851</u>	<u>-</u>
	130,880,938	71,195
Less: Allowance for depreciation	<u>(30,542,388)</u>	<u>(50,041)</u>
	100,338,550	21,154
Construction in progress	<u>12,720,108</u>	<u>-</u>
	<u>\$113,058,658</u>	<u>\$21,154</u>

CITY OF ROUND ROCK, TEXAS

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2002

NOTE 4 – FIXED ASSETS - continued

Major construction contracts in progress from inception to September 30, 2002, consisted of the following:

	<u>Project Authorization</u>	<u>Expended to 9-30-02</u>	<u>Committed</u>	<u>Future Financing</u>
Projects funded principally by general obligation debt –				
Streets, parks, library, public safety and general improvements	\$41,796,408	\$41,647,935	\$ 148,473	None
Streets and other improvements	5,288,538	5,288,538	-	None
Public safety, streets & public service facilities	7,901,193	457,031	7,444,162	None
Municipal complex, parkland and streets	10,758,898	8,005,812	2,753,086	None
Yard site and fire improvements	1,558,920	1,558,920	-	None
Self-financed construction	19,977,662	17,741,384	2,236,278	None
Round Rock Transportation System – road improvements	76,233,717	54,833,653	21,400,064	None
Convention Center Complex	<u>18,952,502</u>	<u>18,952,502</u>	-	None
	<u>\$182,467,838</u>	<u>\$148,485,775</u>	<u>\$33,982,063</u>	
Projects funded by revenue bonds and developer contributions –				
Utility line improvements	\$12,216,788	\$11,834,255	\$ 382,533	None
Self-financed construction	<u>62,385,311</u>	<u>33,573,383</u>	<u>28,811,928</u>	None
	<u>\$74,602,099</u>	<u>\$45,407,638</u>	<u>\$29,194,461</u>	

NOTE 5 – BONDED DEBT

The following is a summary of bond transactions of the City for the year ended September 30, 2002, (in thousands of dollars):

	<u>General Long-Term Debt</u>						<u>Total</u>
	<u>Bonds</u>	<u>Certificates</u>	<u>Hotel Tax Revenue</u>	<u>State Infrastructure Bank Loan</u>	<u>Sales Tax Revenue</u>	<u>Revenue</u>	
Payable, October 1, 2001	\$37,640	\$23,622	\$8,605	\$15,236	\$25,890	\$4,888	\$115,881
Issuances	45,465	-	-	15,000	-	-	60,465
Retirements	<u>(11,270)</u>	<u>(2,817)</u>	-	<u>(799)</u>	<u>(545)</u>	<u>(1,327)</u>	<u>(16,758)</u>
Balance, September 30, 2002	<u>\$71,835</u>	<u>\$20,805</u>	<u>\$8,605</u>	<u>\$29,437</u>	<u>\$25,345</u>	<u>\$3,561</u>	<u>\$159,588</u>

CITY OF ROUND ROCK, TEXAS

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2002

NOTE 5 – BONDED DEBT - continued

Bonds and certificates of obligation payable at September 30, 2002, were comprised of the following individual issues (in thousands of dollars):

<u>Date of Issue</u>	<u>Interest Rates</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding 9-30-02</u>
<b><u>General Obligation Bonds</u></b>			
Series 1975 / 8-1-75	5.00%	\$ 330	\$ 45
Series 1996 / 8-15-96	4.5 - 5.80%	13,125	12,535
Series 1997 / 11-15-97 Refunding	4.1 - 5.25%	5,300	5,060
Series 1998 / 7-9-98	4.8 - 6.75%	8,905	8,730
Series 2002 / 5-9-02 GO & Refunding	3.25 - 5.50%	<u>45,465</u>	<u>45,465</u>
		<u>\$ 73,125</u>	<u>\$ 71,835</u>
<b><u>Certificates of Obligation</u></b>			
Series 1975 / 8-1-75	5.0 %	\$ 69	\$ 15
Series 1995 / 3-15-95	4.6 - 6.25%	7,940	3,095
Series 1997 / 4-15-97	5.25 - 6.5 %	5,185	4,755
Series 1998 / 7-9-98	4.40 - 6.4 %	2,550	2,290
Series 2000 / 5-25-00	5.0 - 6.25%	<u>10,750</u>	<u>10,650</u>
		<u>\$ 26,494</u>	<u>\$ 20,805</u>
<b><u>Hotel Tax Revenue Bonds</u></b>			
Series 1999 / 3-25-99	5.0 - 5.85%	<u>\$ 8,605</u>	<u>\$ 8,605</u>
<b><u>State Infrastructure Bank Loans</u></b>			
Series 2000 / 8-28-00	4.6 %	\$ 16,000	\$ 14,437
Series 2002 / 7-31-02	4.5 %	<u>15,000</u>	<u>15,000</u>
		<u>\$ 31,000</u>	<u>\$ 29,437</u>
<b><u>Sales Tax Revenue Bonds</u></b>			
Series 2001 / 5-15-01	3.9 - 5.5 %	<u>\$ 25,890</u>	<u>\$ 25,345</u>
<b><u>Revenue Bonds</u></b>			
Series 1987 / 2-1-87	5.3 - 8.3 %	\$ 2,910	\$ 525
Series 1992 / 1-1-92 Refunding	3.5 - 5.8 %	4,035	625
Series 1995 / 7-15-95 Refunding	3.85 - 5.1 %	<u>7,220</u>	<u>2,411</u>
		<u>\$ 14,165</u>	<u>\$ 3,561</u>

CITY OF ROUND ROCK, TEXAS

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2002

NOTE 5 – BONDED DEBT - continued

The annual requirements to amortize all bonded and certificate of obligation debt at September 30, 2002, including interest, are as follows (in thousands of dollars):

Year Ended September 30,	General Obligation Debt	Hotel Tax Revenue	State Infrastructure Bank Loan	Sales Tax Revenue	Revenue	Total
2003	\$ 7,586	\$ 519	\$ 2,653	\$ 2,107	\$ 1,392	\$ 14,257
2004	8,684	527	2,653	2,107	1,280	15,251
2005	8,892	535	2,653	2,105	1,016	15,201
2006	7,667	538	2,653	2,107	285	13,250
2007	7,973	540	2,653	2,108	-	13,274
2008 - 2012	34,332	3,764	13,266	10,530	-	61,892
2013 - 2017	34,562	3,761	10,266	10,531	-	59,120
2018 - 2022	30,788	3,765	5,767	8,426	-	48,746
2023 - 2027	<u>16,355</u>	<u>2,257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,612</u>
	<u>\$156,839</u>	<u>\$ 16,206</u>	<u>\$ 42,564</u>	<u>\$40,021</u>	<u>\$ 3,973</u>	<u>\$259,603</u>

In prior years, the City defeased certain certificates of obligation and 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, 2002, \$ 3,795,000 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, 2002, amounted to \$ 56,385,000.

In March of 1997, the City issued \$2,690,000 in special assessment debt for which it is not obligated in any manner beyond the resources provided by the Encino Plaza Public Improvement District. For purposes of this debt, the City is merely acting as an agent for property owners in collecting the assessments and forwarding them to the bondholders. At September 30, 2002, the amount of debt outstanding was \$2,170,000.

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NOTE 5 – BONDED DEBT – continued

In May, 2002 the City issued \$35,000,000 in General Obligation Bonds Series 2002 for improvements to fire and police facilities and equipment, construction of parks and public service facilities and various street improvement projects.

In addition, the City advance refunded Series 1987 General Obligation Bonds, Series 1993 General Obligation and Refunding Bonds and Series 1993 Certificates of Obligation. The net proceeds of the \$10,465,000 of general obligation bonds (after payment of \$427,425 in underwriting fees, insurance and other issuance costs) plus an additional \$298,000 of interest and sinking fund monies were used to purchase U.S. government securities. Those securities were deposited into irrevocable trusts with an escrow agent for the purpose of generating resources for all future debt service payments for the refunded debt. As a result, the refunded bonds are considered defeased, and the debt for these bonds has been removed from the general long-term debt account group.

This advance refunding will increase the total debt service payments over the next eight years by \$88,136, but will result in an economic gain (ie. the difference between the present value of the debt service payments of the refunded debt and the refunding bonds) of \$186,317.

(A) 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, aggregating \$ 1,024,408 at September 30, 2002, 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 semiannual principal and interest requirements as they become due.

The bond reserve funds for revenue bond retirement, aggregating \$ 994,324 at September 30, 2002, 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. At September 30, 2002, the required reserve totaled \$ 993,175. 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.

**NOTE 5 – BONDED DEBT - continued****(B) Hotel Tax Revenue Bonds:**

The debt service fund for the hotel tax revenue bonds, aggregating \$ 272,248 at September 30, 2002, 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 semiannual principal and interest requirements as they become due.

The bond reserve fund for hotel tax revenue bond retirement aggregates \$ 551,791 at September 30, 2002. 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 bond in the reserve fund be deposited upon issuance of the bonds, with quarterly installments until the required reserve is attained.

**(C) 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 \$ 240,211 at September 30, 2002, 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 semiannual 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.

**(D) State Infrastructure Bank Loan:**

In February, 2002 the City received a \$15,000,000 loan from the State of Texas' Infrastructure Bank for transportation improvements. The loan is secured solely by a pledge of revenues of the Round Rock Transportation System Development Corporation.

CITY OF ROUND ROCK, TEXAS

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2002

NOTE 6 – INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2002, were as follows:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
<b>General Fund -</b>		
Enterprise Fund –		
Water and Wastewater Fund	\$1,160,000	\$ -
Capital Projects Funds –		
Self-Financed Construction Fund	-	5,512,445
<b>Total General Fund</b>	<u>1,160,000</u>	<u>5,512,445</u>
<b>Special Revenue Funds –</b>		
Capital Projects Funds –		
Self-Financed Construction Fund	-	125,062
Convention Center Complex Fund	5,263	-
Round Rock Transportation System Development Corporation	-	280,000
Debt Service Fund	4,703	3,872,510
Special Revenue Funds – various	<u>1,250,654</u>	<u>1,250,654</u>
<b>Total Special Revenue Fund</b>	<u>1,260,620</u>	<u>5,528,226</u>
<b>Debt Service Fund –</b>		
Enterprise Funds –		
Water and Wastewater Fund	849,753	-
Golf Course Fund	440,055	-
Special Revenue Fund –		
Round Rock Transportation System Development Corporation	3,283,420	-
Hotel-Motel Occupancy Tax Fund	<u>589,090</u>	<u>4,703</u>
<b>Total Debt Service Fund</b>	<u>5,162,318</u>	<u>4,703</u>
<b>Capital Projects Funds –</b>		
General Fund	5,512,445	-
Special Revenue Funds–		
Convention Center Revenue Fund	-	5,263
Community Development Block Grant Fund	125,062	-
Round Rock Transportation System Development Corporation	280,000	-
Capital Projects Funds - various	<u>65,032</u>	<u>65,032</u>
<b>Total Capital Projects Funds</b>	<u>5,982,539</u>	<u>70,295</u>
<b>Enterprise Fund –</b>		
Water and Wastewater Fund –		
General Fund	-	1,160,000
Debt Service Fund	-	849,753
Golf Course Fund –		
Debt Service Fund	-	440,055
<b>Total Enterprise Fund</b>	<u>-</u>	<u>2,449,808</u>
	<u>\$13,565,477</u>	<u>\$13,565,477</u>

NOTE 7 – RESTRICTED ASSETS

The following summarizes restricted assets by purpose at September 30, 2002:

Enterprise Fund:	
<b>Revenue bond debt service –</b>	
Cash and cash equivalents	\$ <u>2,021,014</u>
<b>Construction –</b>	
Cash and cash equivalents	5,557,552
Investments	998,880
Accounts and other receivables	<u>437,916</u>
	<u>6,994,348</u>
<b>Impact fees –</b>	
Cash and cash equivalents	7,285,387
Investments	<u>3,979,720</u>
	<u>11,265,107</u>
<b>Customer deposits –</b>	
Cash and cash equivalents	<u>715,966</u>
	<u>\$ 20,996,435</u>

NOTE 8 – EMPLOYEE RETIREMENT PLAN*Plan Description*

The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide *Texas Municipal Retirement System (TMRS)*, one of 758 administered by *TMRS*, an agent multiple-employer public employee retirement system.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percentage (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and city matching percent had always been in existence

NOTE 8 – EMPLOYEE RETIREMENT PLAN - continuedPlan Description – continued

and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

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

Deposit rate:	7%
Matching Ratio (City to Employee):	2-1
A member is vested after	5 years

Members can retire at certain ages, based on the years of service to the City.

The Service Retirement Eligibilities for the City are: with 5 yrs/age 60  
with 20 yrs/any age

Contributions

Under the state law governing *TMRS*, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2001 valuation is effective for rates beginning January 2003).

NOTE 8 - EMPLOYEE RETIREMENT PLAN - continued*Schedule of Actuarial Liabilities and Funding Progress*

Actuarial Valuation Date	12/31/1999	12/31/2000	12/31/2001
Actuarial Value of Assets	\$17,709,101	\$21,981,226	\$26,548,097
Actuarial Accrued Liability	\$23,564,745	\$28,438,158	\$33,851,589
Percentage Funded	75.2%	77.3%	78.4%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 5,855,644	\$ 6,456,932	\$ 7,303,492
Annual Covered Payroll	\$14,861,425	\$17,696,924	\$21,595,121
UAAL as a Percentage of Covered Payroll	39.4%	36.5%	33.8%
Net Pension Obligation (NPO) at the Beginning of Period	\$ -0-	\$ -0-	\$ -0-
Annual Pension Cost:			
Annual required contribution (ARC)	\$ 1,828,052	\$ 2,194,465	\$ 2,582,984
Interest on NPO	-0-	-0-	-0-
Adjustment to the ARC	-0-	-0-	-0-
Subtotal	1,828,052	2,194,465	2,582,984
Contributions Made	1,828,052	2,194,465	2,582,984
Increase in NPO	-0-	-0-	-0-
NPO at the end of the period	\$ -0-	\$ -0-	\$ -0-

The following assumptions utilized by *TMRS*, and applicable 6-year trend information are contained in the 2001 *TMRS Comprehensive Annual Financial Report*, a copy of which can be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153.

Actuarial Cost Method –	Unit Credit
Amortization Method –	Level Percent of Payroll
Remaining Amortization Period –	25 Years – Open Period
Asset Valuation Method –	Amortized Cost
Investment Rate of Return –	8%
Projected Salary Increases –	None
Includes Inflation At –	None
Cost-of-Living Adjustments –	None

**CITY OF ROUND ROCK, TEXAS**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**SEPTEMBER 30, 2002**

**NOTE 9 – LEASE-PURCHASES PAYABLE**

The City is obligated under certain capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. Assets under capital leases totaled \$ 3,883,453 at September 30, 2002. Following is a summarization of capital lease transactions for the year ended September 30, 2002:

Balance, September 30, 2001	\$ 1,707,605
Retirements	(795,962)
Lease proceeds	<u>575,000</u>
Balance, September 30, 2002	<u>\$ 1,486,643</u>

Lease obligations in the General Long-Term Debt Account Group are funded with general revenue sources.

The annual requirements to amortize the lease-purchases to maturity in the General Long-Term Debt Account Group are as follows:

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 752,432	\$ 45,515	\$ 797,947
2004	537,211	19,108	556,319
2005	<u>197,000</u>	<u>4,132</u>	<u>201,132</u>
	<u>\$1,486,643</u>	<u>\$ 68,755</u>	<u>\$1,555,398</u>

**NOTE 10 – ACCRUED COMPENSATED ABSENCES**

Changes to accrued compensated absences within the General Long-Term Debt Account Group for the year ending September 30, 2002, were as follows:

Balance, September 30, 2001	\$1,924,561
Decrease in accrual	<u>(54,515)</u>
Balance, September 30, 2002	<u>\$1,870,046</u>

**NOTE 11 – CASH AND INVESTMENTS**

**Cash -**

At September 30, 2002, the carrying amount of deposits for the City was \$ 1,721,638, and the bank balance was \$ 5,207,536. The City's bank balances were fully insured or collateralized with securities held by the City's agent in the City's name.

NOTE 11 – CASH AND INVESTMENTS – continued

Investments –

Investments held as of September 30, 2002 by the City are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- Category 1** Insured or registered, or securities held by the City or its agent in the City's name.
- Category 2** Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3** Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City's name.

	Category			Fair Value
	1	2	3	
U.S. Government Securities	\$78,863,800	\$ -	\$ -	\$ 78,863,800
Commercial Paper	<u>2,781,052</u>	<u>-</u>	<u>-</u>	<u>2,781,052</u>
	<u>\$81,644,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>81,644,852</u>
Investments in State Investment Pool				<u>115,616,259</u>
Total investments				<u>\$197,261,111</u>

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 position in the state investment pool is the same as the value of the pool shares. The decrease in the fair value of investments during the year ended September 30, 2002 is as follows:

Fair value at September 30, 2002	\$ 81,644,851
Add: Proceeds of investments matured this fiscal year	34,163,739
Less: Cost of investments purchased this fiscal year	(63,032,313)
Less: Fair value at September 30, 2001	(53,307,677)
Change in fair value of investments	<u>\$ ( 531,400)</u>

Reconciliation of cash and investments to balance sheet amounts for Cash and Cash Equivalents and Investments is as follows:

Cash in banks	\$ 1,721,638
Investments	<u>197,261,111</u>
Total cash and investments	<u>\$198,982,749</u>
Combined balance sheet presentation:	
Cash and cash equivalents	\$101,757,978
Investments	76,666,252
Restricted Assets -	
Cash and cash equivalents	15,579,919
Investments	<u>4,978,600</u>
Total cash and cash equivalents and investments	<u>\$198,982,749</u>

NOTE 11 – CASH AND INVESTMENTS - continued

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 2002 were of the aforementioned categories.

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.

NOTE 12 – SEGMENT INFORMATION - ENTERPRISE FUNDS

The City maintains two enterprise funds, which are intended to be self-supporting through user fees charged for services to the public.

Financial segment information as of and for the year ended September 30, 2002, is as follows:

	<u>Water and Sewer</u>	<u>Golf Course</u>	<u>Total</u>
	\$	\$	\$
Operating revenues	23,448,046	564,912	24,012,958
Depreciation expense	4,035,457	160,405	4,195,862
Operating income	5,572,033	403,892	5,975,925
Investment and other income	1,988,796	13,325	2,002,121
Other non-operating expenses	372,658	-	372,658
Interest expense	247,305	-	247,305
Operating transfers out	2,009,753	440,055	2,449,808
Net income (loss)	23,373,031	( 22,838)	23,350,193
Current capital contributions	18,441,918	-	18,441,918
Fixed asset additions	8,556,389	89,677	8,646,066
Fixed asset deletions	2,409,917	-	2,409,917
Net working capital	61,730,690	510,848	62,241,538
Total assets	173,658,690	6,039,152	179,697,842
Revenue bonds payable	3,560,775	-	3,560,775
Total equity	166,396,201	6,022,776	172,418,977

NOTE 13 – MUNICIPAL GOLF COURSE

*Management Agreement*

Management of the City's golf course has been performed since 1989 by CCA Sibold/Golfcorp/Round Rock, Inc. (Operator) in accordance with the terms of agreements dated December 1, 1989 and October 24, 1995. On May 1, 2000, 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, the base management fee, the variable fee and any unpaid management fees limited by available gross receipts. Any remaining gross receipts are to be distributed to the City.

NOTE 14 – EQUITY

*Accumulated Deficit*

At September 30, 2002, retained earnings/fund balance included the following accumulated deficit:

Enterprise Fund --	
Golf Course Fund	<u>\$1,192,440</u>

*Contributed Capital*

The following is a summary of changes in contributed capital in the Enterprise Fund:

	<u>Water and Sewer Fund</u>			<u>Golf Course Fund</u>		<u>Total</u>
	<u>Developers</u>	<u>Other Governments</u>	<u>Municipality</u>	<u>Developer</u>	<u>Municipality</u>	
Balance, October 1, 2001	\$73,775,338	\$243,774	\$9,549,021	\$1,700,000	\$5,515,216	\$90,783,349
Changes --						
Impact fees	-	-	-	-	-	-
Utility system improvements	-	-	-	-	-	-
Balance, September 30, 2002	<u>\$73,775,338</u>	<u>\$243,774</u>	<u>\$9,549,021</u>	<u>\$1,700,000</u>	<u>\$5,515,216</u>	<u>\$90,783,349</u>

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**NOTE 15 – 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 \$ 8,275.

**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 a major arterial roadway.

**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, 2002, the City's cost under this contract was \$162,086.

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, 2002, the City's cost under this contract was \$542,207.

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. For the fiscal year ended September 30, 2002, the City's cost under this contract was \$341,788.

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**NOTE 15 – COMMITMENTS AND CONTINGENCIES - continued****Water Supply Agreements – continued**

A “Water Sale Contract”, effective September 1, 2002 by and between the City, the Lower Colorado River Authority and the Brazos River Authority allows Round Rock rights to 4,500 additional acre-feet of water per year from the Colorado River Basin.

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

**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, 2002, the City has paid fees totaling \$ 4,014,770 for use of the regional facilities.

NOTE 15 – COMMITMENTS AND CONTINGENCIES - continuedArbitrage 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, 2002, the potential rebate requirements of approximately \$ 2,282 have been accrued within the accompanying financial statements.

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.

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 preapproved 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.

An analysis of claims activities is presented below:

<u>Fiscal Year</u>	<u>Beginning Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Actual Claim Payments</u>	<u>Balance at Year-End</u>
1995	\$ -	\$ 660,790	\$ 614,527	\$ 46,263
1996	\$ 46,263	\$ 836,257	\$ 872,276	\$ 10,244
1997	\$ 10,244	\$ 817,074	\$ 750,706	\$ 76,612
1998	\$ 76,612	\$ 849,689	\$ 868,259	\$ 58,042
1999	\$ 58,042	\$1,175,765	\$1,082,690	\$151,117
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

The liability is estimated based upon claims settled within the next month.

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**NOTE 15 – COMMITMENTS AND CONTINGENCIES - continued****Post employment Healthcare Benefits**

The City does not provide post employment healthcare benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and the City incurs no direct costs.

**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.

**Participation in Public Entity Risk Pool**

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.

**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 44.5% of the City's sales tax collections for the year ended September 30, 2002.



## **GENERAL FUND**

The General Fund accounts for financial resources not required to be accounted for in another fund and used for general operations of the City.



**CITY OF ROUND ROCK, TEXAS**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2002**

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
Revenues -			
Taxes and franchise -			
General property tax	\$ 8,077,682	\$ 8,028,406	\$ 49,276
Penalty and interest	48,033	30,000	18,033
City sales tax	30,043,138	30,000,000	43,138
Franchise	4,159,511	4,144,000	15,511
Bingo tax	21,266	22,000	(734)
Mixed drink tax	159,384	159,000	384
Total taxes and franchise	<u>42,509,014</u>	<u>42,383,406</u>	<u>125,608</u>
Licenses, permits and fees -			
Building permits	358,148	400,000	(41,852)
Other permits	21,583	30,800	(9,217)
Fees	248,819	253,000	(4,181)
Total licenses, permits and fees	<u>628,550</u>	<u>683,800</u>	<u>(55,250)</u>
Charges for services -			
Trash collection fees	787,177	789,000	(1,823)
Swimming pool fees	171,584	194,000	(22,416)
Recreation program fees	1,211,078	1,094,600	116,478
Filing and reproduction fees	580,306	570,925	9,381
Other	532,619	500,900	31,719
Total charges for services	<u>3,282,764</u>	<u>3,149,425</u>	<u>133,339</u>
Fines and forfeitures	<u>1,015,020</u>	<u>907,300</u>	<u>107,720</u>
Intergovernmental	<u>352,099</u>	<u>296,672</u>	<u>55,427</u>
Investment and other -			
Investment income	1,273,176	1,200,200	72,976
Other	719,270	651,052	68,218
Total investment and other	<u>1,992,446</u>	<u>1,851,252</u>	<u>141,194</u>
Total revenues	<u>49,779,893</u>	<u>49,271,855</u>	<u>508,038</u>

(continued)

CITY OF ROUND ROCK, TEXAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - CONTINUED  
YEAR ENDED SEPTEMBER 30, 2002

	Actual	Budget	Variance - Favorable (Unfavorable)
Expenditures -			
Current -			
General government			
Executive -			
Personal services	\$ 4,941,774	\$ 4,950,230	\$ 8,456
Contractual services	1,955,855	2,011,163	55,308
Supplies and materials	274,221	280,419	6,198
Other services and charges	6,816,546	6,830,030	13,484
Capital outlay	134,767	167,147	32,380
Total executive	<u>14,123,163</u>	<u>14,238,989</u>	<u>115,826</u>
Judicial -			
Personal services	291,071	291,545	474
Contractual services	79,929	79,717	(212)
Supplies and materials	6,583	6,816	233
Other services and charges	3,716	3,834	118
Capital outlay	16,539	16,539	-
Total judicial	<u>397,838</u>	<u>398,451</u>	<u>613</u>
Total general government	<u>14,521,001</u>	<u>14,637,440</u>	<u>116,439</u>
Public safety			
Police-			
Personal services	8,844,934	8,846,789	1,855
Contractual services	315,799	316,794	995
Supplies and materials	533,793	524,564	(9,229)
Other services and charges	341,353	356,272	14,919
Capital outlay	419,313	453,303	33,990
Total police	<u>10,455,192</u>	<u>10,497,722</u>	<u>42,530</u>
Fire -			
Personal services	5,331,430	5,331,806	376
Contractual services	122,136	119,025	(3,111)
Supplies and materials	512,848	516,285	3,437
Other services and charges	102,011	102,755	744
Capital outlay	102,616	104,245	1,629
Total fire	<u>6,171,041</u>	<u>6,174,116</u>	<u>3,075</u>
Total public safety	<u>16,626,233</u>	<u>16,671,838</u>	<u>45,605</u>

(continued)

CITY OF ROUND ROCK, TEXAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - CONTINUED  
YEAR ENDED SEPTEMBER 30, 2002

	Actual	Budget	Variance - Favorable (Unfavorable)
Expenditures - (cont'd)			
Current - (cont'd)			
Public works			
Administration -			
Personal services	\$ 1,849,608	\$ 1,849,737	\$ 129
Contractual services	106,026	108,452	2,426
Supplies and materials	76,418	76,418	-
Other services and charges	14,286	14,286	-
Capital outlay	87,369	87,373	4
Total administration	<u>2,133,707</u>	<u>2,136,266</u>	<u>2,559</u>
Streets -			
Personal services	2,082,184	2,082,672	488
Contractual services	632,038	733,189	101,151
Supplies and materials	662,503	666,901	4,398
Other services and charges	51,681	51,681	-
Capital outlay	197,336	199,566	2,230
Total streets	<u>3,625,742</u>	<u>3,734,009</u>	<u>108,267</u>
Maintenance shop -			
Personal services	581,421	581,793	372
Contractual services	46,711	53,478	6,767
Supplies and materials	54,360	72,477	18,117
Other services and charges	3,289	3,289	-
Capital outlay	3,219	3,219	-
Total maintenance shop	<u>689,000</u>	<u>714,256</u>	<u>25,256</u>
Total public works	<u>6,448,449</u>	<u>6,584,531</u>	<u>136,082</u>

(continued)

## CITY OF ROUND ROCK, TEXAS

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - CONTINUED  
YEAR ENDED SEPTEMBER 30, 2002

	Actual	Budget	Variance - Favorable (Unfavorable)
Expenditures - (cont'd)			
Current - (cont'd)			
Culture and recreation			
Library -			
Personal services	\$ 1,034,748	\$ 1,035,424	\$ 676
Contractual services	171,733	167,625	(4,108)
Supplies and materials	67,848	69,547	1,699
Other services and charges	26,892	27,313	421
Capital outlay	334,771	365,799	31,028
Total library	<u>1,635,992</u>	<u>1,665,708</u>	<u>29,716</u>
Parks and recreation -			
Personal services	3,387,220	3,387,491	271
Contractual services	1,109,505	1,130,397	20,892
Supplies and materials	839,377	837,478	(1,899)
Other services and charges	126,543	130,250	3,707
Capital outlay	231,861	292,057	60,196
Total parks and recreation	<u>5,694,506</u>	<u>5,777,673</u>	<u>83,167</u>
Total culture and recreation	<u>7,330,498</u>	<u>7,443,381</u>	<u>112,883</u>
Total expenditures	<u>44,926,181</u>	<u>45,337,190</u>	<u>411,009</u>
Excess of revenues over expenditures	<u>4,853,712</u>	<u>3,934,665</u>	<u>919,047</u>
Other financing sources (uses) -			
Lease purchase proceeds	575,000	575,000	-
Operating transfers in	1,160,000	1,160,000	-
Operating transfers out	(5,512,445)	(5,512,445)	-
Total other financing sources (uses)	<u>(3,777,445)</u>	<u>(3,777,445)</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	1,076,267	<u>\$ 157,220</u>	<u>\$ 919,047</u>
Fund balance, October 1, 2001	22,185,654		
Fund balance, September 30, 2002	<u>\$ 23,261,921</u>		

## SPECIAL REVENUE FUNDS

Special Revenue Funds account for specific resources, other than major capital projects that are restricted to expenditures for specified purposes. The thirteen Special Revenue Funds for the City are as follows:

**1981 Community Development Block Grant Fund** – To account for operations of projects involving economic and community development.

**Public Education Programs Fund** – To account for funds designated for conducting adult literacy and fire safety awareness programs. The fire safety awareness program is funded by donations received.

**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.

**Brown Foundation Grant Fund** – To account for a grant from the Brown Foundation which is restricted to the Child Abuse Prevention program.

**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.

**Convention Center Revenue Fund** – To account for pledged revenues related to the Hotel Occupancy Tax Revenue Bonds.

**Park Valley Drive Grant Fund** – To account for a grant from the Texas Capital Fund for infrastructure improvements of waterlines and street construction near Round Rock Hospital.

**Round Rock Transportation System Development Corporation Fund** – To account for sales tax monies received for streets, drainage and other transportation system improvements, including the payment of maintenance costs associated with such authorized projects.

**Community Development Block Grant Fund** – To account for grant monies received for programs benefiting persons of low to moderate income and start-up businesses.

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

CITY OF ROUND ROCK, TEXAS

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 2002

	1981 Community Development Block Grant Fund	Public Education Programs Fund	Street and Bridge Fund	Hotel-Motel Occupancy Tax Fund	Brown Foundation Grant Fund	Police Fund
<b><u>ASSETS</u></b>						
Cash and cash equivalents	\$ -	\$ 5,864	\$ 646,629	\$ 1,580,237	\$ 9,317	\$ 81,867
Investments	-	-	-	-	-	-
Receivables -						
Accounts and other	-	-	-	637,380	-	-
Loans	19,181	-	-	-	-	-
Assessments	-	-	15,269	-	-	-
	<u>-</u>	<u>-</u>	<u>15,269</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 19,181</u>	<u>\$ 5,864</u>	<u>\$ 661,898</u>	<u>\$ 2,217,617</u>	<u>\$ 9,317</u>	<u>\$ 81,867</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
Liabilities -						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,080
Interfund payables	-	-	-	-	-	-
Deferred revenue	-	-	15,269	56,541	-	-
	<u>-</u>	<u>-</u>	<u>15,269</u>	<u>56,541</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>15,269</u>	<u>56,541</u>	<u>-</u>	<u>21,080</u>
Fund balances -						
Reserved for federal seizure	-	-	-	-	-	36,633
Reserved for non-current loans receivable	19,181	-	-	-	-	-
Unreserved - undesignated	-	5,864	646,629	2,161,076	9,317	24,154
	<u>-</u>	<u>5,864</u>	<u>646,629</u>	<u>2,161,076</u>	<u>9,317</u>	<u>24,154</u>
Total fund balances	<u>19,181</u>	<u>5,864</u>	<u>646,629</u>	<u>2,161,076</u>	<u>9,317</u>	<u>60,787</u>
Total liabilities and fund balances	<u>\$ 19,181</u>	<u>\$ 5,864</u>	<u>\$ 661,898</u>	<u>\$ 2,217,617</u>	<u>\$ 9,317</u>	<u>\$ 81,867</u>

Municipal Court Fund	Landscape Fund	Convention Center Revenue Fund	Park Valley Drive Grant Fund	Round Rock Transportation System Development Corporation Fund	Community Development Block Grant Fund	Annexation Fees Fund	Total
\$ 104,207	\$ 13,707	\$ 1,846	\$ -	\$ 18,432,214	\$ -	\$ 203,123	\$ 21,079,011
-	-	-	-	3,953,960	-	-	3,953,960
-	-	379	-	955	-	-	638,714
-	-	-	-	-	-	-	19,181
-	-	-	-	-	-	-	15,269
<u>\$ 104,207</u>	<u>\$ 13,707</u>	<u>\$ 2,225</u>	<u>\$ -</u>	<u>\$ 22,387,129</u>	<u>\$ -</u>	<u>\$ 203,123</u>	<u>\$ 25,706,135</u>
\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,580
-	-	-	-	1,994,169	-	-	1,994,169
-	-	-	-	-	-	-	71,810
-	<u>2,500</u>	-	-	<u>1,994,169</u>	-	-	<u>2,089,559</u>
-	-	-	-	-	-	-	36,633
-	-	-	-	-	-	-	19,181
<u>104,207</u>	<u>11,207</u>	<u>2,225</u>	-	<u>20,392,960</u>	-	<u>203,123</u>	<u>23,560,762</u>
<u>104,207</u>	<u>11,207</u>	<u>2,225</u>	-	<u>20,392,960</u>	-	<u>203,123</u>	<u>23,616,576</u>
<u>\$ 104,207</u>	<u>\$ 13,707</u>	<u>\$ 2,225</u>	<u>\$ -</u>	<u>\$ 22,387,129</u>	<u>\$ -</u>	<u>\$ 203,123</u>	<u>\$ 25,706,135</u>

CITY OF ROUND ROCK, TEXAS

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

YEAR ENDED SEPTEMBER 30, 2002

	1981 Community Development Block Grant Fund	Public Education Programs Fund	Street and Bridge Fund	Hotel-Motel Occupancy Tax Fund	Brown Foundation Grant Fund	Police Fund
<b>Revenues -</b>						
Sales tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	63,069
Intergovernmental	-	-	-	-	-	-
Hotel occupancy tax	-	-	-	1,477,050	-	-
Investment and other	2,032	116	12,803	31,976	185	1,534
Contributions	-	-	-	206	-	-
<b>Total revenues</b>	<u>2,032</u>	<u>116</u>	<u>12,803</u>	<u>1,509,232</u>	<u>185</u>	<u>64,603</u>
<b>Expenditures -</b>						
<b>Current -</b>						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	141,000
Culture and recreation	-	-	-	238,175	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>238,175</u>	<u>-</u>	<u>141,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>2,032</u>	<u>116</u>	<u>12,803</u>	<u>1,271,057</u>	<u>185</u>	<u>(76,397)</u>
<b>Other financing sources /(uses) -</b>						
Operating transfers in	-	-	-	633,400	-	-
Operating transfers out	(125,062)	-	-	(1,206,344)	-	-
<b>Total other financing sources/(uses)</b>	<u>(125,062)</u>	<u>-</u>	<u>-</u>	<u>(572,944)</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other uses</b>	<u>(123,030)</u>	<u>116</u>	<u>12,803</u>	<u>698,113</u>	<u>185</u>	<u>(76,397)</u>
<b>Fund balances, October 1, 2001</b>	<u>142,211</u>	<u>5,748</u>	<u>633,826</u>	<u>1,462,963</u>	<u>9,132</u>	<u>137,184</u>
<b>Fund balances, September 30, 2002</b>	<u>\$ 19,181</u>	<u>\$ 5,864</u>	<u>\$ 646,629</u>	<u>\$ 2,161,076</u>	<u>\$ 9,317</u>	<u>\$ 60,787</u>

Municipal Court Fund	Landscape Fund	Convention Center Revenue Fund	Park Valley Drive Grant Fund	Round Rock Transportation System Development Corporation Fund	Community Development Block Grant Fund	Annexation Fees Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 10,012,966	\$ -	\$ -	\$ 10,012,966
-	-	-	-	-	-	-	63,069
-	-	-	11,928	-	371,563	-	383,491
-	-	-	-	-	-	-	1,477,050
68,185	8,613	1,300	-	388,445	2,102	203,123	720,414
-	500	-	-	-	-	-	706
<u>68,185</u>	<u>9,113</u>	<u>1,300</u>	<u>11,928</u>	<u>10,401,411</u>	<u>373,665</u>	<u>203,123</u>	<u>12,657,696</u>
-	-	-	11,917	165,384	373,665	-	550,966
-	-	-	-	-	-	-	141,000
-	125	-	-	-	-	-	238,300
-	125	-	11,917	165,384	373,665	-	930,266
<u>68,185</u>	<u>8,988</u>	<u>1,300</u>	<u>11</u>	<u>10,236,027</u>	<u>-</u>	<u>203,123</u>	<u>11,727,430</u>
-	-	627,220	-	-	-	-	1,260,620
-	-	(633,400)	-	(3,563,420)	-	-	(5,528,226)
-	-	(6,180)	-	(3,563,420)	-	-	(4,267,606)
<u>68,185</u>	<u>8,988</u>	<u>(4,880)</u>	<u>11</u>	<u>6,672,607</u>	<u>-</u>	<u>203,123</u>	<u>7,459,824</u>
<u>36,022</u>	<u>2,219</u>	<u>7,105</u>	<u>(11)</u>	<u>13,720,353</u>	<u>-</u>	<u>-</u>	<u>16,156,752</u>
<u>\$ 104,207</u>	<u>\$ 11,207</u>	<u>\$ 2,225</u>	<u>\$ -</u>	<u>\$ 20,392,960</u>	<u>\$ -</u>	<u>\$ 203,123</u>	<u>\$ 23,616,576</u>

CITY OF ROUND ROCK, TEXAS

SPECIAL REVENUE FUND

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

1981 COMMUNITY DEVELOPMENT BLOCK GRANT FUND

YEAR ENDED SEPTEMBER 30, 2002

	Actual	Budget	Variance - Favorable (Unfavorable)
Revenues -			
Investment and other	\$ 2,032	\$ 2,032	\$ -
Total revenues	<u>2,032</u>	<u>2,032</u>	<u>-</u>
Other financing uses -			
Operating transfers out	(125,062)	(125,062)	-
Total other financing uses	<u>(125,062)</u>	<u>(125,062)</u>	<u>-</u>
Deficiency of revenues over other financing uses	(123,030)	<u>\$ (123,030)</u>	<u>\$ -</u>
Fund balance, October 1, 2001	<u>142,211</u>		
Fund balance, September 30, 2002	<u>\$ 19,181</u>		

**CITY OF ROUND ROCK, TEXAS**

**SPECIAL REVENUE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**PUBLIC EDUCATION PROGRAMS FUND**

**YEAR ENDED SEPTEMBER 30, 2002**

---

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
Revenues -			
Investment and other	<u>\$ 116</u>	<u>\$ 116</u>	<u>\$ -</u>
Total revenues	<u>116</u>	<u>\$ 116</u>	<u>\$ -</u>
Fund balance, October 1, 2001	<u>5,748</u>		
Fund balance, September 30, 2002	<u>\$ 5,864</u>		

**CITY OF ROUND ROCK, TEXAS**

**SPECIAL REVENUE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**STREET AND BRIDGE FUND**

**YEAR ENDED SEPTEMBER 30, 2002**

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	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
Revenues -			
Investment and other	<u>\$ 12,803</u>	<u>\$ 12,803</u>	<u>\$ -</u>
Total revenues	<u>12,803</u>	<u>\$ 12,803</u>	<u>\$ -</u>
Fund balance, October 1, 2001	<u>633,826</u>		
Fund balance, September 30, 2002	<u>\$ 646,629</u>		

**CITY OF ROUND ROCK, TEXAS**

**SPECIAL REVENUE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**HOTEL-MOTEL OCCUPANCY TAX FUND**

**YEAR ENDED SEPTEMBER 30, 2002**

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
<b>Revenues -</b>			
Hotel occupancy tax	\$ 1,477,050	\$ 1,325,000	\$ 152,050
Investment and other	31,976	30,000	1,976
Contributions	206	-	206
Total revenues	<u>1,509,232</u>	<u>1,355,000</u>	<u>154,232</u>
 <b>Expenditures -</b>			
Culture and recreation -			
Other services and charges	238,175	321,500	83,325
Total expenditures	<u>238,175</u>	<u>321,500</u>	<u>83,325</u>
 Excess of revenues over expenditures	<u>1,271,057</u>	<u>1,033,500</u>	<u>237,557</u>
 <b>Other financing sources (uses) -</b>			
Operating transfers in	633,400	-	633,400
Operating transfers out	(1,206,344)	(639,090)	(567,254)
Total other financing sources (uses)	<u>(572,944)</u>	<u>(639,090)</u>	<u>66,146</u>
 Excess of revenues and other financing sources over expenditures and other uses	698,113	<u>\$ 394,410</u>	<u>\$ 303,703</u>
 Fund balance, October 1, 2001	<u>1,462,963</u>		
 Fund balance, September 30, 2002	<u>\$ 2,161,076</u>		

**CITY OF ROUND ROCK, TEXAS**

**SPECIAL REVENUE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**BROWN FOUNDATION GRANT FUND**

**YEAR ENDED SEPTEMBER 30, 2002**

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	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
Revenues -			
Investment and other	<u>\$ 185</u>	<u>\$ 185</u>	<u>\$ -</u>
Total revenues	<u>185</u>	<u>\$ 185</u>	<u>\$ -</u>
Fund balance, October 1, 2001	<u>9,132</u>		
Fund balance, September 30, 2002	<u>\$ 9,317</u>		

CITY OF ROUND ROCK, TEXAS

SPECIAL REVENUE FUND

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

POLICE FUND

YEAR ENDED SEPTEMBER 30, 2002

	Actual	Budget	Variance - Favorable (Unfavorable)
Revenues -			
Fines and forfeitures	\$ 63,069	\$ 21,500	\$ 41,569
Investment and other	1,534	-	1,534
Total revenues	<u>64,603</u>	<u>21,500</u>	<u>43,103</u>
Expenditures -			
Public Safety -			
Other services and charges	141,000	141,000	-
Total expenditures	<u>141,000</u>	<u>141,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(76,397)	<u>\$ (119,500)</u>	<u>\$ 43,103</u>
Fund balance, October 1, 2001	<u>137,184</u>		
Fund balance, September 30, 2002	<u>\$ 60,787</u>		

CITY OF ROUND ROCK, TEXAS

SPECIAL REVENUE FUND

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

MUNICIPAL COURT FUND

YEAR ENDED SEPTEMBER 30, 2002

---

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
Revenues -			
Investment and other	<u>\$ 68,185</u>	<u>\$ 68,185</u>	<u>\$ -</u>
Total revenues	<u>68,185</u>	<u>\$ 68,185</u>	<u>\$ -</u>
Fund balance, October 1, 2001	<u>36,022</u>		
Fund balance, September 30, 2002	<u>\$ 104,207</u>		

CITY OF ROUND ROCK, TEXAS

SPECIAL REVENUE FUND

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

LANDSCAPE FUND

YEAR ENDED SEPTEMBER 30, 2002

	Actual	Budget	Variance - Favorable (Unfavorable)
Revenues -			
Investment and other	\$ 8,613	\$ 8,613	\$ -
Contributions	500	500	-
Total revenues	<u>9,113</u>	<u>9,113</u>	<u>-</u>
Expenditures -			
Culture and recreation -			
Capital outlay	125	125	-
Total expenditures	<u>125</u>	<u>125</u>	<u>-</u>
Excess of revenues over expenditures	<u>8,988</u>	<u>\$ 8,988</u>	<u>\$ -</u>
Fund balance, October 1, 2001	<u>2,219</u>		
Fund balance, September 30, 2002	<u>\$ 11,207</u>		

**CITY OF ROUND ROCK, TEXAS**

**SPECIAL REVENUE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**CONVENTION CENTER REVENUE FUND**

**YEAR ENDED SEPTEMBER 30, 2002**

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues -			
Investment and other	<u>\$ 1,300</u>	<u>\$ 1,300</u>	<u>\$ -</u>
Total revenues	<u>1,300</u>	<u>1,300</u>	<u>-</u>
Other financing sources (uses)-			
Operating transfers in	627,220	627,220	-
Operating transfers out	<u>(633,400)</u>	<u>(633,400)</u>	<u>-</u>
Total other financing sources (uses)	<u>(6,180)</u>	<u>(6,180)</u>	<u>-</u>
Deficiency of revenues and other financing sources over other financing uses	<u>(4,880)</u>	<u>\$ (4,880)</u>	<u>\$ -</u>
 Fund balance, October 1, 2001	 <u>7,105</u>		
 Fund balance, September 30, 2002	 <u>\$ 2,225</u>		

CITY OF ROUND ROCK, TEXAS

SPECIAL REVENUE FUND

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

PARK VALLEY DRIVE GRANT FUND

YEAR ENDED SEPTEMBER 30, 2002

	Actual	Budget	Variance - Favorable (Unfavorable)
Revenues -			
Intergovernmental	\$ 11,928	\$ 11,928	\$ -
Total revenues	<u>11,928</u>	<u>11,928</u>	<u>-</u>
Expenditures -			
General government -			
Capital outlay	<u>11,917</u>	<u>11,917</u>	<u>-</u>
Total expenditures	<u>11,917</u>	<u>11,917</u>	<u>-</u>
Excess of revenues over expenditures	<u>11</u>	<u>\$ 11</u>	<u>\$ -</u>
Fund balance, October 1, 2001	<u>(11)</u>		
Fund balance, September 30, 2002	<u>\$ -</u>		

**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 FUND**

**YEAR ENDED SEPTEMBER 30, 2002**

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
Revenues -			
Sales tax	\$ 10,012,966	\$ 10,559,026	\$ (546,060)
Investment and other	388,445	275,000	113,445
Total revenues	<u>10,401,411</u>	<u>10,834,026</u>	<u>(432,615)</u>
Expenditures -			
General government -			
Contractual services	<u>165,384</u>	<u>329,018</u>	<u>163,634</u>
Total expenditures	<u>165,384</u>	<u>329,018</u>	<u>163,634</u>
Excess of revenues over expenditures	<u>10,236,027</u>	<u>10,505,008</u>	<u>(268,981)</u>
Other financing sources (uses)-			
Operating transfers out	<u>(3,563,420)</u>	<u>(3,620,859)</u>	<u>57,439</u>
Total other financing uses	<u>(3,563,420)</u>	<u>(3,620,859)</u>	<u>57,439</u>
Excess of revenues over expenditures and other financing uses	<u>6,672,607</u>	<u>\$ 6,884,149</u>	<u>\$ (211,542)</u>
Fund balance, October 1, 2001	<u>13,720,353</u>		
Fund balance, September 30, 2002	<u>\$ 20,392,960</u>		

**CITY OF ROUND ROCK, TEXAS**

**SPECIAL REVENUE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

**YEAR ENDED SEPTEMBER 30, 2002**

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
Revenues -			
Intergovernmental	\$ 371,563	\$ 678,469	\$ (306,906)
Investment and other	2,102	3,600	(1,498)
	<u>373,665</u>	<u>682,069</u>	<u>(308,404)</u>
Total revenues			
Expenditures -			
General government -			
Personal services	58,262	58,262	-
Contractual services	47,815	47,815	-
Supplies and materials	5,882	5,882	-
Other services and charges	258,424	258,424	-
Capital outlay	3,282	3,282	-
	<u>373,665</u>	<u>373,665</u>	<u>-</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>\$ 308,404</u>	<u>\$ (308,404)</u>
Fund balance, October 1, 2001	<u>-</u>		
Fund balance, September 30, 2002	<u>\$ -</u>		

CITY OF ROUND ROCK, TEXAS

SPECIAL REVENUE FUND

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

ANNEXATION FEES FUND

YEAR ENDED SEPTEMBER 30, 2002

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	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
Revenues -			
Investment and other	<u>\$ 203,123</u>	<u>\$ 203,123</u>	<u>\$ -</u>
Total revenues	<u>203,123</u>	<u>\$ 203,123</u>	<u>\$ -</u>
Fund balance, October 1, 2001	<u>-</u>		
Fund balance, September 30, 2002	<u>\$ 203,123</u>		

## 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). Primarily general obligation bonds fund the capital projects. There are thirteen Capital Projects Funds that account for the activities related to the following capital projects:

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

**1995 Series Certificates of Obligation (Yard and Fire Improvements Fund)** – To account for improvements to the maintenance yard and acquisition of fire pumper truck.

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

**1985-A Series General Obligation Bonds (Streets, Parks and General Development Fund)** – To account for general improvements including street and drainage systems, parkland acquisition and development, public safety and the library.

**1990 Series Certificates of Obligation (City Hall Complex Fund)** – To acquire the city hall complex.

**Self-Financed Construction Fund** – To account for costs of authorized general capital improvements and facilities. Financing is provided by general government resources.

**1996 Series G. O. Bonds (Streets, Parks & Library Improvements Fund)** – To account for purchase of police and fire equipment, library expansion, and general street and park improvements.

**1997 Series Certificates of Obligation (Streets and Public Safety Improvements Fund)** – To account for improvements to the City's streets and bridge system, and public safety facilities.

**1998 Series General Obligation Bonds (Public Works, Police and Parks Facilities Improvements Fund)** – To account for improvements to public safety, public works and parks department facilities and improvements to the City's streets, sidewalks and traffic signal systems.

**Round Rock Transportation System Development Corporation Fund** – To account for transportation system improvements funded by sales tax revenues. The revenues are held in a special revenue fund until expended on capital projects.

**1999 Series Hotel Tax Revenue Bonds (Convention Center Complex Fund)** – To account for construction of a convention center complex.

**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.

**2002 Series General Obligation Bonds** – To account for the costs of public service and public safety facilities and streets and related improvements approved in the 2001 bond election.

**CITY OF ROUND ROCK**  
**CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**

**SEPTEMBER 30, 2002**

	Streets and Drainage	1995 Series CO	Park Development	1985A Series GO	1990 Series CO	Self- Financed Construction
<b><u>ASSETS</u></b>						
Cash and cash equivalents	\$ 488,338	\$ 70,930	\$ 50,660	\$ -	\$ 39,485	\$ 2,255,265
Investments	-	-	-	-	-	-
Receivables -						
Accrued interest	-	-	-	-	-	-
Interfund receivables	-	-	-	-	-	13,626,354
<b>Total assets</b>	<b>\$ 488,338</b>	<b>\$ 70,930</b>	<b>\$ 50,660</b>	<b>\$ -</b>	<b>\$ 39,485</b>	<b>\$ 15,881,619</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
<b>Liabilities -</b>						
Accounts payable	\$ -	\$ -	\$ 13,337	\$ -	\$ -	\$ 630,051
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>13,337</b>	<b>-</b>	<b>-</b>	<b>630,051</b>
<b>Fund balances -</b>						
Reserved for authorized construction	488,338	70,930	37,323	-	39,485	15,251,568
<b>Total liabilities and fund balances</b>	<b>\$ 488,338</b>	<b>\$ 70,930</b>	<b>\$ 50,660</b>	<b>\$ -</b>	<b>\$ 39,485</b>	<b>\$ 15,881,619</b>

<u>1996 Series GO</u>	<u>1997 Series CO</u>	<u>1998 Series GO</u>	<u>Round Rock Transportation System Development Corporation</u>	<u>Convention Center Complex</u>	<u>2000 Series CO</u>	<u>2002 Series GO</u>	<u>Total</u>
\$ -	\$ 393,921	\$ 3,395,669	\$ 25,121,213	\$ 383,855	\$ 3,474,934	\$ 22,675,544	\$ 58,349,814
-	-	-	-	-	-	12,116,198	12,116,198
-	-	-	-	264	-	100,666	100,930
-	-	-	152,544	-	-	-	13,778,898
<u>\$ -</u>	<u>\$ 393,921</u>	<u>\$ 3,395,669</u>	<u>\$ 25,273,757</u>	<u>\$ 384,119</u>	<u>\$ 3,474,934</u>	<u>\$ 34,892,408</u>	<u>\$ 84,345,840</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,048</u>	<u>\$ 1,228,459</u>	<u>\$ -</u>	<u>\$ 209,657</u>	<u>\$ 42,863</u>	<u>\$ 2,154,415</u>
<u>-</u>	<u>-</u>	<u>30,048</u>	<u>1,228,459</u>	<u>-</u>	<u>209,657</u>	<u>42,863</u>	<u>2,154,415</u>
<u>-</u>	<u>393,921</u>	<u>3,365,621</u>	<u>24,045,298</u>	<u>384,119</u>	<u>3,265,277</u>	<u>34,849,545</u>	<u>82,191,425</u>
<u>\$ -</u>	<u>\$ 393,921</u>	<u>\$ 3,395,669</u>	<u>\$ 25,273,757</u>	<u>\$ 384,119</u>	<u>\$ 3,474,934</u>	<u>\$ 34,892,408</u>	<u>\$ 84,345,840</u>

CITY OF ROUND ROCK, TEXAS

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

YEAR ENDED SEPTEMBER 30, 2002

	Streets and Drainage	1995 Series CO	Park Development	1985A Series GO	1990 Series CO	Self- Financed Construction
Revenues -						
Investment and other Contributions	\$ 8,601 233,508	\$ 626 -	\$ 11,698 800	\$ 229 -	\$ 793 -	\$ 42,004 34,100
Total revenues	242,109	626	12,498	229	793	76,104
Expenditures -						
Capital projects	-	-	30,483	12,318	-	3,769,284
Total expenditures	-	-	30,483	12,318	-	3,769,284
Excess (deficiency) of revenues over expenditures	242,109	626	(17,985)	(12,089)	793	(3,693,180)
Other financing sources (uses) -						
Operating transfers in	-	-	-	-	-	5,637,507
Operating transfers out	-	-	-	-	-	-
Bond and other debt proceeds, net of issuance costs	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	5,637,507
Excess (deficiency) of revenues and other sources over expenditures and other uses	242,109	626	(17,985)	(12,089)	793	1,944,327
Fund balances, October 1, 2001	246,229	70,304	55,308	12,089	38,692	13,307,241
Fund balances, September 30, 2002	\$ 488,338	\$ 70,930	\$ 37,323	\$ -	\$ 39,485	\$ 15,251,568

1996 Series GO	1997 Series CO	1998 Series GO	Round Rock Transportation System Development Corporation	Convention Center Complex	2000 Series CO	2002 Series GO	Total
\$ 76	\$ 3,522	\$ 68,895	\$ 352,680	\$ 4,278	\$ 102,013	\$ 306,577	\$ 901,992
-	-	-	-	-	-	-	268,408
76	3,522	68,895	352,680	4,278	102,013	306,577	1,170,400
65,108	58,156	356,466	12,299,166	-	2,653,482	167,730	19,412,193
65,108	58,156	356,466	12,299,166	-	2,653,482	167,730	19,412,193
(65,032)	(54,634)	(287,571)	(11,946,486)	4,278	(2,551,469)	138,847	(18,241,793)
65,032	-	-	280,000	-	-	-	5,982,539
-	-	(65,032)	-	(5,263)	-	-	(70,295)
-	-	-	14,951,400	-	-	34,710,698	49,662,098
65,032	-	(65,032)	15,231,400	(5,263)	-	34,710,698	55,574,342
-	(54,634)	(352,603)	3,284,914	(985)	(2,551,469)	34,849,545	37,332,549
-	448,555	3,718,224	20,760,384	385,104	5,816,746	-	44,858,876
\$ -	\$ 393,921	\$ 3,365,621	\$ 24,045,298	\$ 384,119	\$ 3,265,277	\$ 34,849,545	\$ 82,191,425

**CITY OF ROUND ROCK, TEXAS**

**PROJECT - LENGTH SCHEDULE OF CONSTRUCTION PROJECTS -**

**ALL CAPITAL PROJECTS FUNDS**

**BEGINNING OF PROJECTS TO SEPTEMBER 30, 2002**

	<u>Streets and Drainage</u>	<u>1995 Series CO</u>	<u>Park Development</u>	<u>1985A Series GO</u>	<u>1990 Series CO</u>	<u>Self- Financed Construction</u>
Total project authorization	<u>\$ -</u>	<u>\$ 1,708,920</u>	<u>\$ 911,763</u>	<u>\$ 19,120,338</u>	<u>\$ 1,660,260</u>	<u>\$ 27,295,365</u>
Revenues and other financing sources -						
Intergovernmental	\$ -	\$ -	\$ 80,366	\$ -	\$ -	\$ 10,614
Contributions	-	-	120,315	-	-	7,811,447
Investment and other	-	115,720	516,781	2,632,840	26,745	286,672
Lease purchase proceeds	-	-	-	-	-	1,533,453
Proceeds of general obligation bonds	-	1,650,000	-	12,150,000	1,595,000	-
Operating transfers in	-	14,129	231,620	3,686,589	78,000	30,370,552
Other transfers in	-	-	-	650,909	-	-
	<u>\$ -</u>	<u>\$ 1,779,849</u>	<u>\$ 949,082</u>	<u>\$ 19,120,338</u>	<u>\$ 1,699,745</u>	<u>\$ 40,012,738</u>
Expenditures and other uses -						
Capital projects	\$ -	\$ 1,558,920	\$ 811,763	\$ 19,120,338	\$ 1,651,077	\$ 17,741,384
Operating transfers out	-	150,000	100,000	-	9,183	7,317,703
Other transfers out	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 1,708,920</u>	<u>\$ 911,763</u>	<u>\$ 19,120,338</u>	<u>\$ 1,660,260</u>	<u>\$ 25,059,087</u>

1996 Series GO	1997 Series CO	1998 Series GO	Round Rock Transportation System Development Corporation	Convention Center Complex	2000 Series CO	2002 Series GO
<u>\$ 15,134,135</u>	<u>\$ 6,366,377</u>	<u>\$ 8,089,951</u>	<u>\$ 76,233,717</u>	<u>\$ 18,984,332</u>	<u>\$ 10,758,898</u>	<u>\$ 7,901,193</u>
\$ 500,000	\$ -	\$ 400,000	\$ -	\$ -	\$ 50,000	\$ -
50,000	300,000	-	-	11,534,388	-	-
1,384,959	676,012	1,114,166	1,023,337	474,507	627,302	-
-	-	-	-	-	-	306,577
12,005,000	5,185,000	8,905,000	56,364,331	7,109,556	10,493,786	35,000,000
1,194,176	589,285	887,934	21,491,282	250,000	100,000	-
-	-	-	-	-	-	-
<u>\$ 15,134,135</u>	<u>\$ 6,750,297</u>	<u>\$ 11,307,100</u>	<u>\$ 78,878,950</u>	<u>\$ 19,368,451</u>	<u>\$ 11,271,088</u>	<u>\$ 35,306,577</u>
\$ 15,115,918	\$ 3,637,461	\$ 7,411,679	\$ 54,833,653	\$ 18,952,502	\$ 8,005,812	\$ 457,031
18,217	2,728,916	529,799	-	31,830	-	-
-	-	-	-	-	-	-
<u>\$ 15,134,135</u>	<u>\$ 6,366,377</u>	<u>\$ 7,941,478</u>	<u>\$ 54,833,653</u>	<u>\$ 18,984,332</u>	<u>\$ 8,005,812</u>	<u>\$ 457,031</u>



## **ENTERPRISE FUNDS**

**Enterprise Funds** are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

**Water and Sewer Fund** - This fund is used to account for the activities of the water and sewer utilities.

**Golf Course Fund** - This fund is used to account for the operations of the City's public golf course.

CITY OF ROUND ROCK, TEXAS

ENTERPRISE FUND

COMBINING BALANCE SHEET

SEPTEMBER 30, 2002

<u>ASSETS</u>	<u>Water and Sewer Fund</u>	<u>Golf Course Fund</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 8,901,831	\$ 527,224	\$ 9,429,055
Investments	31,931,705	-	31,931,705
Receivables (net of allowance for uncollectibles of \$ 625,846)			
Accounts	3,805,125	-	3,805,125
Accrued interest	358,750	-	358,750
Interfund	1,544	-	1,544
Inventories	31,124	-	31,124
Other current assets	85,446	-	85,446
Total current assets	<u>45,115,525</u>	<u>527,224</u>	<u>45,642,749</u>
Restricted assets:			
Cash and cash equivalents	15,579,919	-	15,579,919
Investments	4,978,600	-	4,978,600
Accounts receivable	437,916	-	437,916
Total restricted assets	<u>20,996,435</u>	<u>-</u>	<u>20,996,435</u>
Fixed assets, (net of accumulated depreciation of \$30,542,388)	<u>107,546,730</u>	<u>5,511,928</u>	<u>113,058,658</u>
Total assets	<u>\$ 173,658,690</u>	<u>\$ 6,039,152</u>	<u>\$ 179,697,842</u>

(continued)

CITY OF ROUND ROCK, TEXAS

ENTERPRISE FUND

COMBINING BALANCE SHEET - CONTINUED

SEPTEMBER 30, 2002

<u>LIABILITIES AND FUND EQUITY</u>	<u>Water and Sewer Fund</u>	<u>Golf Course Fund</u>	<u>Total</u>
<b>Current liabilities:</b>			
Accounts payable	\$ 1,339,567	\$ 16,376	\$ 1,355,943
Accrued payroll	164,479	-	164,479
Interfund payables	348,784	-	348,784
Total current liabilities	<u>1,852,830</u>	<u>16,376</u>	<u>1,869,206</u>
<b>Current liabilities payable from restricted assets:</b>			
Accounts payable	546,650	-	546,650
Accrued interest	30,824	-	30,824
Customer deposits	715,966	-	715,966
Revenue bonds	1,235,000	-	1,235,000
Total current liabilities payable from restricted assets	<u>2,528,440</u>	<u>-</u>	<u>2,528,440</u>
<b>Noncurrent liabilities:</b>			
Deferred revenue	374,604	-	374,604
Revenue bonds payable	2,325,775	-	2,325,775
Accrued compensated absences payable	180,840	-	180,840
Total noncurrent liabilities	<u>2,881,219</u>	<u>-</u>	<u>2,881,219</u>
<b>Total liabilities</b>	<u>7,262,489</u>	<u>16,376</u>	<u>7,278,865</u>
<b>Fund equity:</b>			
<b>Contributed capital:</b>			
Developers	73,775,338	1,700,000	75,475,338
Other governments	243,774	-	243,774
Municipality	9,549,021	5,515,216	15,064,237
<b>Retained earnings:</b>			
Reserved for revenue bond retirement	786,014	-	786,014
Reserved for construction	12,298,571	-	12,298,571
Unreserved	69,743,483	(1,192,440)	68,551,043
Total fund equity	<u>166,396,201</u>	<u>6,022,776</u>	<u>172,418,977</u>
<b>Total liabilities and fund equity</b>	<u>\$ 173,658,690</u>	<u>\$ 6,039,152</u>	<u>\$ 179,697,842</u>

## CITY OF ROUND ROCK, TEXAS

ENTERPRISE FUND  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN RETAINED EARNINGS

YEAR ENDED SEPTEMBER 30, 2002

	Water and Sewer Fund	Golf Course Fund	Total
Operating revenues -			
Charges for services	\$ 23,448,046	\$ 564,912	\$ 24,012,958
Total operating revenues	<u>23,448,046</u>	<u>564,912</u>	<u>24,012,958</u>
Operating expenses -			
Personal services	4,363,532	-	4,363,532
Contractual services	6,467,854	-	6,467,854
Supplies	589,146	-	589,146
Materials	919,850	615	920,465
Heat, light and power	1,418,648	-	1,418,648
Bad debts	81,526	-	81,526
Depreciation	4,035,457	160,405	4,195,862
Total operating expenses	<u>17,876,013</u>	<u>161,020</u>	<u>18,037,033</u>
Operating income	<u>5,572,033</u>	<u>403,892</u>	<u>5,975,925</u>
Non-operating revenues (expenses) -			
Investment and other revenues	1,988,796	13,325	2,002,121
Other non-operating expenses	(372,658)	-	(372,658)
Interest and fiscal charges	(247,305)	-	(247,305)
Total non-operating revenues (expenses)	<u>1,368,833</u>	<u>13,325</u>	<u>1,382,158</u>
Income before contributions and transfers	<u>6,940,866</u>	<u>417,217</u>	<u>7,358,083</u>
Contributions and transfers			
Contributions - impact fees	7,191,219	-	7,191,219
Developer contributions - infrastructure	11,250,699	-	11,250,699
Operating transfers (out)	(2,009,753)	(440,055)	(2,449,808)
Total contributions and transfers	<u>16,432,165</u>	<u>(440,055)</u>	<u>15,992,110</u>
Net income (loss)	<u>23,373,031</u>	<u>(22,838)</u>	<u>23,350,193</u>
Retained earnings, October 1, 2001	<u>59,455,037</u>	<u>(1,169,602)</u>	<u>58,285,435</u>
Retained earnings, September 30, 2002	<u>\$ 82,828,068</u>	<u>\$ (1,192,440)</u>	<u>\$ 81,635,628</u>

**CITY OF ROUND ROCK, TEXAS**

**ENTERPRISE FUND  
COMBINING STATEMENT OF CASH FLOWS**

**YEAR ENDED SEPTEMBER 30, 2002**

	Water & Sewer Fund	Golf Course Fund	Total
<b>Cash flows from operating activities:</b>			
Operating income	\$ 5,572,033	\$ 403,892	\$ 5,975,925
Adjustments to reconcile net operating income to net cash provided by operating activities:			
Depreciation	4,035,457	160,405	4,195,862
(Increase) in receivables	(679,509)	-	(679,509)
(Increase) in interfund receivables	(1,544)	-	(1,544)
(Increase) in other assets	(65,416)	-	(65,416)
(Increase) in restricted assets	(437,916)	-	(437,916)
Increase in accounts payable	125,263	16,376	141,639
Increase in accrued payroll	54	-	54
Increase in interfund payables	221,001	-	221,001
Increase in payables from restricted assets	441,031	-	441,031
Increase in deferred revenue	374,604	-	374,604
Increase in compensated absences	25,369	-	25,369
Total adjustments	<u>4,038,394</u>	<u>176,781</u>	<u>4,215,175</u>
Net cash provided by operations	<u>9,610,427</u>	<u>580,673</u>	<u>10,191,100</u>
<b>Cash flows from noncapital financing activities:</b>			
Operating transfers to other funds	<u>(2,009,753)</u>	<u>(440,055)</u>	<u>(2,449,808)</u>
Net cash used for noncapital financing activities	<u>(2,009,753)</u>	<u>(440,055)</u>	<u>(2,449,808)</u>
<b>Cash flows from capital and related financing activities:</b>			
Receipt of capital contributions	7,191,219	-	7,191,219
Acquisition and construction of capital assets	(8,556,389)	(89,677)	(8,646,066)
Proceeds from sale of capital assets	1,318,142	-	1,318,142
Principal paid on revenue bonds	(1,326,925)	-	(1,326,925)
Other non-operating expenses	(372,658)	-	(372,658)
Interest and fiscal charges paid	<u>(247,305)</u>	<u>-</u>	<u>(247,305)</u>
Net cash used by capital and related financing activities	<u>(1,993,916)</u>	<u>(89,677)</u>	<u>(2,083,593)</u>
<b>Cash flows from investing activities:</b>			
Purchase of investments	(24,661,020)	-	(24,661,020)
Proceeds from sale of investments	13,193,739	-	13,193,739
Investment and other income	1,988,796	13,325	2,002,121
Net cash provided (used) by investing activities	<u>(9,478,485)</u>	<u>13,325</u>	<u>(9,465,160)</u>
Net increase (decrease) in cash and cash equivalents	(3,871,727)	64,266	(3,807,461)
Cash and cash equivalents at beginning of year	<u>28,353,477</u>	<u>462,958</u>	<u>28,816,435</u>
Cash and cash equivalents at end of year	<u>\$ 24,481,750</u>	<u>\$ 527,224</u>	<u>\$ 25,008,974</u>

**NOTES:**

(1) Noncash capital and related financing activities:

In fiscal year 2002, the Water and Sewer Fund had \$ 11,250,699 in capital assets contributed, amortized \$ 33,075 of deferred loss on refunding of debt and recognized \$23,960 in unrealized investment gains.



## **FIDUCIARY FUND TYPES**

### **TRUST AND AGENCY FUNDS**

**Fiduciary Funds** account for assets held by the City in a trustee capacity or as an agency for individuals, private organizations, other governmental units or other funds. Trust and Agency Funds include nonexpendable trust funds and agency funds.

The **Nonexpendable Trust Fund** is an endowment fund.

The **Agency Funds** include the Library Custodial and Encino Plaza Public Improvement District Funds.

CITY OF ROUND ROCK, TEXAS

FIDUCIARY FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 2002

	Nonexpendable Trust Fund	Agency Funds		Total
		Library Custodial Fund	Encino Plaza PID	
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 106,096	\$ 29,601	\$ 810,031	\$ 945,728
Fixed assets (net of accumulated depreciation of \$50,041)	21,154	-	-	21,154
Total assets	<u>\$ 127,250</u>	<u>\$ 29,601</u>	<u>\$ 810,031</u>	<u>\$ 966,882</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Liabilities -				
Accounts payable	\$ -	\$ 1,838	\$ -	\$ 1,838
Due to participants	-	27,763	810,031	837,794
Total liabilities	<u>-</u>	<u>29,601</u>	<u>810,031</u>	<u>839,632</u>
Fund balance -				
Reserved for endowments	100,000	-	-	100,000
Unreserved - undesignated	27,250	-	-	27,250
Total fund balance	<u>127,250</u>	<u>-</u>	<u>-</u>	<u>127,250</u>
Total liabilities and fund balance	<u>\$ 127,250</u>	<u>\$ 29,601</u>	<u>\$ 810,031</u>	<u>\$ 966,882</u>

CITY OF ROUND ROCK, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED SEPTEMBER 30, 2002

	Balances October 1, 2001	Additions	Deductions	Balances September 30, 2002
<b><u>Library Custodial Fund</u></b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 15,517	\$ 23,923	\$ 9,839	\$ 29,601
	<u>\$ 15,517</u>	<u>\$ 23,923</u>	<u>\$ 9,839</u>	<u>\$ 29,601</u>
<u>Liabilities</u>				
Accounts payable	\$ 3,621	\$ 8,104	\$ 9,887	\$ 1,838
Due to participants	11,896	24,022	8,155	27,763
	<u>\$ 15,517</u>	<u>\$ 32,126</u>	<u>\$ 18,042</u>	<u>\$ 29,601</u>
 <b><u>Encino Plaza PID Fund</u></b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 749,036	\$ 382,047	\$ 321,052	\$ 810,031
	<u>\$ 749,036</u>	<u>\$ 382,047</u>	<u>\$ 321,052</u>	<u>\$ 810,031</u>
<u>Liabilities</u>				
Due to participants	\$ 749,036	\$ 382,047	\$ 321,052	\$ 810,031
	<u>\$ 749,036</u>	<u>\$ 382,047</u>	<u>\$ 321,052</u>	<u>\$ 810,031</u>
 <b><u>Combining Totals - All Agency Funds</u></b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 764,553	\$ 405,970	\$ 330,891	\$ 839,632
Total assets	<u>\$ 764,553</u>	<u>\$ 405,970</u>	<u>\$ 330,891</u>	<u>\$ 839,632</u>
<u>Liabilities</u>				
Accounts payable	\$ 3,621	\$ 8,104	\$ 9,887	\$ 1,838
Due to participants	760,932	406,069	329,207	837,794
Total liabilities	<u>\$ 764,553</u>	<u>\$ 414,173</u>	<u>\$ 339,094</u>	<u>\$ 839,632</u>



## **GENERAL FIXED ASSET ACCOUNT GROUP**

This self-balancing account group provides accounting control over general fixed assets which are not accounted for in proprietary fund operations.



CITY OF ROUND ROCK, TEXAS

SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCES

SEPTEMBER 30, 2002

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General fixed assets -

Land	\$ 16,219,114
Buildings	296,237,193
Equipment	22,109,937
Construction in progress	<u>55,498,833</u>
	<u>\$ 390,065,077</u>

Investment in general fixed assets from -

Capital Projects Funds -

General obligation bonds	\$ 94,829,338
Federal grants	202,383
State grants	1,008,753
General Fund revenues	35,420,327
Special Revenue Fund revenues	54,008,029
Hotel Occupancy Tax revenues	19,373,838
Gifts	184,505,500
Special assessments	<u>716,909</u>
	<u>\$ 390,065,077</u>

**CITY OF ROUND ROCK, TEXAS**

**SCHEDULE OF GENERAL FIXED ASSETS -**

**BY FUNCTION AND ACTIVITY**

**SEPTEMBER 30, 2002**

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>
General Government -		
Control -		
Executive	\$ 107,955	\$ -
Staff agencies -		
Public works	5,870,562	293,740
Finance	393,671	-
Law	155,571	-
Planning and zoning	1,117,136	-
General government	<u>27,262,825</u>	<u>2,146,173</u>
Total staff agencies	<u>34,799,765</u>	<u>2,439,913</u>
Total general government	<u>34,907,720</u>	<u>2,439,913</u>
Public safety -		
Police protection	6,870,170	225,206
Fire protection	7,769,866	423,820
Inspection	221,185	-
Total public safety	<u>14,861,221</u>	<u>649,026</u>
Public works -		
City shop	1,685,461	-
Streets and drainage	244,915,598	3,549
Total public works	<u>246,601,059</u>	<u>3,549</u>
Culture and recreation -		
Library	6,719,488	278,252
Recreation	31,476,756	12,848,374
Total culture and recreation	<u>38,196,244</u>	<u>13,126,626</u>
Total general fixed assets allocated to functions	334,566,244	<u>\$ 16,219,114</u>
Construction in progress	<u>55,498,833</u>	
Total general fixed assets	<u>\$ 390,065,077</u>	

<u>Buildings and Improvements</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,955</u>
2,153,040	2,748,881	674,901
-	-	393,671
5,187	-	150,384
-	443,547	673,589
<u>21,652,954</u>	<u>1,565,900</u>	<u>1,897,798</u>
<u>23,811,181</u>	<u>4,758,328</u>	<u>3,790,343</u>
<u>23,811,181</u>	<u>4,758,328</u>	<u>3,898,298</u>
839,800	1,007,130	4,798,034
2,538,137	420,187	4,387,722
-	-	221,185
<u>3,377,937</u>	<u>1,427,317</u>	<u>9,406,941</u>
51,942	1,332,663	300,856
570,426	241,244,263	3,097,360
<u>622,368</u>	<u>242,576,926</u>	<u>3,398,216</u>
3,996,001	22,117	2,423,118
6,303,624	9,341,394	2,983,364
<u>10,299,625</u>	<u>9,363,511</u>	<u>5,406,482</u>
<u>\$ 38,111,111</u>	<u>\$ 258,126,082</u>	<u>\$ 22,109,937</u>

CITY OF ROUND ROCK, TEXAS

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS -  
BY FUNCTION AND ACTIVITY

YEAR ENDED SEPTEMBER 30, 2002

<u>Function and Activity</u>	<u>General Fixed Assets 10-1-01</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Fixed Assets 09-30-02</u>
General Government -				
Control -				
Executive	\$ 91,662	\$ 23,220	\$ 6,927	\$ 107,955
Staff Agencies -				
Public works	5,075,504	828,366	33,308	5,870,562
Finance	344,079	80,242	30,650	393,671
Law	140,860	20,027	5,316	155,571
Planning and zoning	1,067,745	58,070	8,679	1,117,136
General government	27,101,628	185,833	24,636	27,262,825
Total staff agencies	33,729,816	1,172,538	102,589	34,799,765
Total general government	33,821,478	1,195,758	109,516	34,907,720
Public safety -				
Police protection	6,995,455	446,777	572,062	6,870,170
Fire protection	7,825,640	195,395	251,169	7,769,866
Inspection	206,644	18,003	3,462	221,185
Total public safety	15,027,739	660,175	826,693	14,861,221
Public works -				
City shop	1,656,144	51,889	22,572	1,685,461
Streets and drainage	219,143,500	25,948,477	176,379	244,915,598
Total public works	220,799,644	26,000,366	198,951	246,601,059
Culture and recreation -				
Library	6,436,339	411,869	128,720	6,719,488
Recreation	29,776,154	1,768,443	67,841	31,476,756
Total culture and recreation	36,212,493	2,180,312	196,561	38,196,244
Construction in progress	43,297,594	19,642,639	7,441,400	55,498,833
Total general fixed assets	\$ 349,158,948	\$ 49,679,250	\$ 8,773,121	\$ 390,065,077

## **GENERAL LONG-TERM DEBT ACCOUNT GROUP**

This account group is self-balancing and is used to account for debts of a non-current nature consisting of bonds, certificates of obligation, leases and compensated absences. Long-term debt is offset by amounts to be provided and amounts available in other funds.



CITY OF ROUND ROCK, TEXAS

GENERAL LONG-TERM DEBT ACCOUNT GROUP

STATEMENT OF GENERAL LONG-TERM DEBT

SEPTEMBER 30, 2002

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**Amount Available and to be Provided  
for Payment of General Long-Term Debt**

Amount available in Debt Service Fund	\$ 2,074,841
Amount to be provided for retirement of long-term debt	155,438,492
Amount to be provided for compensated absences	<u>1,870,046</u>
	<u>\$ 159,383,379</u>

**General Long-Term Debt Payable**

Leases payable	\$ 1,486,643
General obligation debt -	
Bonds payable	71,835,000
Certificates of obligation	20,805,000
Revenue bonds	8,605,000
Other debt	54,781,690
Accrued compensated absences	<u>1,870,046</u>
	<u>\$ 159,383,379</u>



**STATISTICAL SECTION**

**(UNAUDITED)**

**CITY OF ROUND ROCK, TEXAS**

**GENERAL REVENUES BY SOURCE <sup>(1)</sup>**

**LAST TEN YEARS**

**(UNAUDITED)**

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Fiscal Year Ended <u>9-30</u>	<u>Taxes and Franchise</u>	<u>Licenses and Permits</u>	<u>Charges For Services</u>	<u>Fines and Forfeitures</u>
1993	\$ 11,073,091	\$ 387,776	\$ 629,454	\$ 520,159
1994	12,906,140	583,935	765,287	634,140
1995	15,769,609	576,718	951,760	523,931
1996	18,133,838	539,241	1,210,486	661,483
1997	21,801,655	515,852	1,318,516	660,196
1998	29,617,637	669,622	1,611,370	898,496
1999	39,598,214	743,791	1,609,133	879,865
2000	47,424,826	970,656	2,268,857	729,172
2001	58,333,682	799,550	3,010,382	834,185
2002	<u>59,029,046</u>	<u>628,550</u>	<u>3,282,764</u>	<u>1,078,089</u>
	<u>\$313,687,738</u>	<u>\$6,415,691</u>	<u>\$16,658,009</u>	<u>\$7,419,716</u>

(1) - Above data are for General, Special Revenue and Debt Service Funds.

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<u>Special Assessments</u>	<u>Intergovernmental</u>	<u>Hotel Occupancy Tax</u>	<u>Investment and Other</u>	<u>Total</u>
\$ 46,815	\$ -	\$ 143,709	\$ 845,520	\$ 13,646,524
23,191	665,717	170,400	524,657	16,273,467
38,698	655,063	204,555	891,362	19,611,696
27,972	144,645	235,565	938,688	21,891,918
26,846	196,305	339,592	1,415,145	26,274,107
267,416	88,713	434,356	1,524,701	35,112,311
28,177	294,221	616,483	1,951,468	45,721,352
2,041	647,445	1,017,826	2,980,466	56,041,289
1,021	1,185,810	1,354,429	4,193,627	69,712,686
<u>-</u>	<u>735,590</u>	<u>1,477,050</u>	<u>2,798,290</u>	<u>69,029,379</u>
<u>\$462,177</u>	<u>\$4,613,509</u>	<u>\$5,993,965</u>	<u>\$18,063,924</u>	<u>\$373,314,729</u>



**CITY OF ROUND ROCK, TEXAS**

**GENERAL EXPENDITURES BY FUNCTION**

**LAST TEN YEARS**

**(UNAUDITED)**

<u>Fiscal Year Ended 9-30</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Culture and Recreation</u>	<u>Debt Service</u>	<u>Total</u>
1993	\$ 2,131,053	\$ 4,411,114	\$ 1,919,195	\$ 1,794,884	\$ 5,177,495	\$ 15,433,741
1994	2,622,214	4,641,358	2,519,249*	1,994,240	5,434,609	17,211,670
1995	3,485,279	5,875,865	2,794,420*	2,324,229	5,453,764	19,933,557
1996	3,925,200	6,803,488	2,579,777*	2,637,704	6,519,963	22,466,132
1997	5,577,920	8,047,235	2,999,461*	3,190,056	7,210,759	27,025,431
1998	6,440,010	9,583,146	3,559,959*	3,312,479	7,287,282	30,182,876
1999	8,897,742	10,958,903	4,035,009	4,070,940	7,589,040	35,551,634
2000	11,979,536	12,698,746	5,234,245	5,164,311	7,895,740	42,972,578
2001	14,675,517	15,074,503	6,240,934	7,223,780	10,034,421	53,249,155
2002	<u>15,071,967</u>	<u>16,767,233</u>	<u>6,448,449</u>	<u>7,568,798</u>	<u>11,509,307</u>	<u>57,365,754</u>
	<u>\$74,806,438</u>	<u>\$94,861,591</u>	<u>\$38,330,698</u>	<u>\$39,281,421</u>	<u>\$74,112,380</u>	<u>\$321,392,528</u>

**Note** - Above data are for General, Special Revenue and Debt Service Funds.

\* - The capital project expenditures in the Special Revenue Funds are included in Public Works.

**CITY OF ROUND ROCK, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN YEARS**  
**(UNAUDITED)**

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<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>
	\$	\$	%
1993	5,711,379	5,642,941	98.80
1994	6,137,825	6,127,354	99.83
1995	6,904,316	6,837,807	99.04
1996	7,295,538	7,188,878	98.54
1997	7,883,421	7,809,238	99.06
1998	8,692,342	8,601,905	98.96
1999	9,888,321	9,790,084	99.01
2000	10,804,487	10,686,138	98.90
2001	12,296,243	12,181,034	99.06
2002	14,487,121	14,335,048	98.95

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<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collection to Tax Levy</u>
\$	\$	%
105,298	5,748,239	100.65
107,983	6,235,337	101.59
76,971	6,914,778	100.15
87,561	7,276,439	99.74
73,884	7,883,122	100.00
82,119	8,684,024	99.90
92,895	9,882,979	99.95
122,565	10,808,703	100.04
361,469	12,542,503	102.00
196,322	14,531,370	100.31

**CITY OF ROUND ROCK, TEXAS**  
**ASSESSED VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
**(UNAUDITED)**

<u>Fiscal Year</u>	<u>Gross Assessed Value</u>			<u>Total</u>
	<u>Assessment Ratio</u>	<u>Real Property</u>	<u>Personal Property</u>	
	%	\$	\$	\$
1993	100	779,644,065	191,916,766	971,560,831
1994	100	930,285,202	205,884,908	1,136,170,110
1995	100	1,287,341,887	200,850,567	1,488,192,454
1996	100	1,496,294,910	311,336,059	1,807,630,969
1997	100	1,759,724,187	358,435,090	2,118,159,277
1998	100	2,077,547,602	428,959,755	2,506,507,357
1999	100	2,306,196,524	486,851,223	2,793,047,747
2000	100	2,670,155,112	504,988,781	3,175,143,893
2001	100	3,270,519,641	712,609,336	3,983,128,977
2002	100	3,977,561,419	853,720,952	4,831,282,371

**Source:** Round Rock Independent School District Tax Office

<u>Reductions to Gross Assessed Value</u>			
<u>Property Tax Exemptions</u>			
<u>Over 65</u>	<u>Disabled &amp; Deceased Veterans</u>	<u>Freeport, Property Redevelopment, Agricultural and Other</u>	<u>Total Taxable Assessed Valuation</u>
\$	\$	\$	\$
8,611,757	334,500	48,194,038	914,420,536
9,138,754	368,000	48,414,229	1,078,249,127
14,321,816	611,470	61,218,008	1,412,041,160
15,660,868	657,500	80,063,271	1,711,249,330
16,917,414	2,097,500	122,358,756	1,976,785,607
18,437,050	2,340,000	180,388,498	2,305,341,809
19,897,723	2,526,000	202,228,959	2,568,395,065
21,604,689	2,735,000	173,951,536	2,976,852,668
23,737,949	2,990,000	233,763,660	3,722,637,368
23,871,132	3,095,500	306,187,720	4,498,128,019

**CITY OF ROUND ROCK, TEXAS**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**

**PER \$100 OF ASSESSED VALUE**

**LAST TEN YEARS**

**(UNAUDITED)**

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<u>Fiscal Year</u>	<u>City</u>	<u>Round Rock Independent School District</u>	<u>Williamson County</u>	<u>Total</u>
	\$	\$	\$	\$
1993	0.6246	1.7981	.3666	2.7893
1994	0.5692	1.5738	.3656	2.5086
1995	0.4889	1.4246	.3542	2.2677
1996	0.4264	1.6209	.3378	2.3851
1997	0.3988	1.6300	.2712	2.3000
1998	0.3770	1.6396	.2960	2.3126
1999	0.3850	1.7575	.2990	2.4415
2000	0.3629	1.7111	.2995	2.3735
2001	0.3303	1.7086	.3477	2.3866
2002	0.3221	1.7387	.3543	2.4151

**Source:** Williamson County Tax Office

**CITY OF ROUND ROCK, TEXAS**

**SPECIAL ASSESSMENT COLLECTIONS**

**LAST TEN YEARS**

**(UNAUDITED)**

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<u>Fiscal Year Ended 9-30</u>	<u>Current Assessments Due</u>	<u>Current Assessments Collected</u>	<u>Ratio of Collections to Amount Due</u>	<u>Total Outstanding Assessments</u>
	\$	\$	%	\$
1993	32,857	46,815	142	145,968
1994	32,857	23,191	71	122,777
1995	32,857	38,698	118	84,079
1996	31,482	16,849	54	67,230
1997	31,482	26,846	85	40,384
1998	307,800	267,416	87	46,507
1999	42,425	28,177	66	18,330
2000	13,228	2,041	15	16,289
2001	13,228	1,021	8	15,269
2002	14,248	-	-	15,269

**CITY OF ROUND ROCK, TEXAS**

**RATIO OF NET GENERAL BONDED DEBT**

**TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**

**LAST TEN YEARS**

**(UNAUDITED)**

<u>Fiscal Year Ended 9-30</u>	<u>(1) Population</u>	<u>Net Assessed Value (in thousands)</u>	<u>(2) Gross Bonded Debt</u>	<u>Amount Available in Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
		\$	\$	\$	\$	%	\$
1993	36,140	914,421	40,931,100	655,282	40,275,818	4.40	1,114.44
1994	40,665	1,078,249	38,261,000	718,117	37,542,883	3.48	923.22
1995	42,880	1,412,041	43,069,000 <sup>(2)</sup>	1,223,787	41,845,213	2.96	975.87
1996	45,355	1,711,249	51,967,000 <sup>(2)</sup>	1,482,719	50,484,281	2.95	1,113.09
1997	47,760	1,976,786	53,435,000 <sup>(2)</sup>	1,161,951	52,273,049	2.64	1,094.49
1998	50,905	2,305,342	61,628,000 <sup>(2)</sup>	1,083,021	60,544,979	2.63	1,189.37
1999	56,030	2,568,395	57,861,000 <sup>(2)</sup>	1,876,382	55,984,618	2.18	999.19
2000	60,340	2,976,853	65,004,000 <sup>(2)</sup>	1,471,892	63,532,108	2.13	1,052.90
2001	68,835	3,722,637	61,262,000 <sup>(2)</sup>	2,132,743	59,129,257	1.59	859.00
2002	73,295	4,498,128	92,640,000 <sup>(2)</sup>	2,074,841	90,565,159	2.01	1,235.63

**Note:** Includes Certificates of Obligation and General Obligation Bonds.

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

<sup>(2)</sup> Gross bonded debt includes self-supporting debt funded by enterprise funds. Gross self-supporting debt totaled \$ 7,995,864 at September 30, 2002.

CITY OF ROUND ROCK, TEXAS

COMPUTATION OF LEGAL DEBT MARGIN

SEPTEMBER 30, 2002

(UNAUDITED)

Total assessed value		<u>\$4,498,128,019</u>
Debt limit - Maximum serviceable at permitted allocation of \$1.50 per \$100 of assessed value		\$ 806,315,251
Amount of debt applicable to debt limit:		
Total General Obligation Debt		\$92,640,000
Less: Amount available in		
Debt Service Fund	\$ 2,074,841	
Amounts considered self-supporting	7,995,864	
Other deductions allowed by law:		
Special Assessment Bonds	-	
Total deductions		<u>10,070,705</u>
Total amount of debt applicable to debt limit		<u>82,569,295</u>
Legal debt margin		<u>\$ 723,745,956</u>

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, 2001, assessed valuation of \$4,498,128,019 at 100% collection, tax revenue of \$67,471,920 would be produced. This revenue could service the debt on \$806,315,251 issued as 20-year serial bonds at 5.50% (with level debt service payment).

**CITY OF ROUND ROCK, TEXAS**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

**SEPTEMBER 30, 2002**

**(UNAUDITED)**

<u>Name of Governmental Unit</u>	<u>Total General Debt Outstanding</u>	<u>Percentage Applicable to City of Round Rock</u>	<u>Amount Applicable to City of Round Rock</u>
		%	
City of Round Rock	\$ 92,640,000*	100.00	\$ 92,640,000
Round Rock Independent School District	428,502,451**	28.68	122,894,503
Williamson County	374,779,896*	19.50	73,082,080
Georgetown ISD	75,474,996**	.03	22,642
Travis County	<u>422,555,063*</u>	.46	<u>1,943,753</u>
Total	<u>\$ 1,393,952,406</u>		<u>\$290,582,978</u>

\*Gross Debt as of 9-30-02

\*\*Gross Debt as of 8-31-02

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

**CITY OF ROUND ROCK, TEXAS**

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES**

**LAST TEN YEARS**

**(UNAUDITED)**

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<u>Fiscal Year Ended 9-30</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Debt Service</u>	<u>(1) Total General Expenditures</u>	<u>Ratio of Debt Service to Total General Expenditures</u>
	\$	\$	\$	\$	%
1993	2,516,320	2,661,175	5,177,495	15,433,741	33.5
1994	2,670,100	2,764,509	5,434,609	17,211,670	31.6
1995	3,340,728	2,113,036	5,453,764	19,933,557	27.4
1996	3,965,152	2,554,811	6,519,963	22,466,132	29.0
1997	4,351,757	2,859,002	7,210,759	27,025,431	26.7
1998	4,244,493	3,042,789	7,287,282	30,182,876	24.1
1999	4,268,300	3,320,740	7,589,040	35,551,634	21.3
2000	4,156,328	3,140,833	7,297,161 <sup>(2)</sup>	42,972,578	17.0
2001	4,331,667	3,708,433	8,040,100 <sup>(2)</sup>	53,249,155	15.1
2002	4,432,962	3,118,996	7,551,958 <sup>(2)</sup>	57,365,754	13.2

(1) Includes General, Special Revenue, and Debt Service Funds.

(2) Total debt service for general bonded debt does not include self-supporting Hotel Tax and Sales Tax Revenue Bond and State Infrastructure Loan payments, which totaled \$3,957,349 for fiscal year ended September 30, 2002.

**CITY OF ROUND ROCK, TEXAS**  
**SCHEDULE OF REVENUE BOND COVERAGE**  
**LAST TEN YEARS**  
**(UNAUDITED)**

Fiscal Year Ended 9-30	(1) Gross Revenue	(2) Direct Operating Expenses	Net Revenue Available For Debt Service	<u>Debt Service Requirements</u> <u>Principal and Interest</u>	<u>Revenue Bond Coverage</u>
	\$	\$	\$	\$	
1993	9,499,723	3,775,429	5,724,294	1,843,129	3.11
1994	11,351,716	4,442,056	6,909,660	1,813,470	3.81
1995	12,842,219	5,324,255	7,517,964	1,739,222	4.32
1996	14,621,577	5,595,285	9,026,292	1,779,260	5.07
1997	16,649,651 <sup>(3)</sup>	8,015,148	8,634,503	1,745,528	4.95
1998	18,031,066	8,632,306	9,398,760	1,751,339	5.37
1999	19,065,800	8,762,007	10,303,793	1,745,175	5.90
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

(1) Water and Sewer Fund operating and non-operating revenues.

(2) Water and Sewer Fund operating expenses, excluding depreciation.

(3) Excludes lawsuit settlement proceeds of \$6,120,000.

**CITY OF ROUND ROCK, TEXAS**

**DEMOGRAPHIC STATISTICS**

**LAST TEN YEARS**

**(UNAUDITED)**

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<u>Fiscal Year</u>	<u>(1) Population</u>	<u>(2) Per Capita Income</u>	<u>(3) School Enrollment</u>	<u>(4) Unemployment Rate</u>
		\$		%
1993	36,140	14,934	22,911	3.2
1994	40,665	17,146	23,951	1.8
1995	42,880	18,273	24,971	2.4
1996	45,355	19,053	26,107	1.8
1997	47,760	20,737	27,223	2.2
1998	50,905	21,929	28,455	1.9
1999	56,030	23,453	30,100	1.6
2000	60,340	26,149	31,572	1.4
2001	68,835	28,552	32,652	3.4
2002	73,295	29,822	34,120	4.5

- Sources:**
- (1) Planning Department, City of Round Rock.
  - (2) Texas Workforce Commission; data is for Williamson County, which is representative of the City; data for City not available.
  - (3) Round Rock Independent School District.
  - (4) Texas Workforce Commission; data is for the City of Round Rock.

**CITY OF ROUND ROCK, TEXAS**

**PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS**

**LAST TEN YEARS**

**(UNAUDITED)**

Fiscal Year Ended 9-30	(1)	(2)	(3)		(3)	
	Commercial Bank Deposits	Property Value	Commercial Construction Units	Value	Residential Construction Units	Value
	\$	\$		\$		\$
1993	N/A	971,560,831	15	27,810,820	871	72,072,107
1994	N/A	1,136,170,110	11	5,181,021	1,234	97,948,985
1995	N/A	1,488,192,454	37	74,665,483	1,000	91,621,287
1996	N/A	1,807,630,969	57	150,287,986	1,065	104,926,563
1997	N/A	2,118,159,277	55	73,791,058	962	82,813,943
1998	N/A	2,506,507,357	54	185,095,131	1,355	124,003,089
1999	N/A	2,793,047,747	52	67,529,071	1,667	152,341,464
2000	N/A	3,175,143,893	83	139,196,103	1,724	174,489,516
2001	N/A	3,983,128,977	56	93,120,082	1,363	173,065,113
2002	N/A	4,831,282,371	37	47,137,000	1,401	156,999,872

**Source:** (1) Round Rock Chamber of Commerce and FDIC

(2) Round Rock Independent School District Tax Office

(3) City Inspection Department

**N/A:** Information is unavailable on a local basis

**CITY OF ROUND ROCK, TEXAS**

**PRINCIPAL TAXPAYERS**

**SEPTEMBER 30, 2002**

**(UNAUDITED)**

<u>Name of Taxpayer</u>	<u>Type of Business</u>	<u>Net Assessed Valuation</u>	<u>% of Total Net Assessed Valuation</u>
<i>Dell Computer Holdings, LP</i>	Electronic Equipment	\$194,446,101	4.323%
<i>Dell Computer Corp.</i>	Electronic Equipment	57,404,679	1.276
<i>DuPont Photomasks, Inc.</i>	Chemicals	56,502,650	1.256
<i>DDR DB Development Ventures</i>	Property Management	47,971,461	1.066
<i>Limestone Ranch, LLP</i>	Property Management	34,560,000	0.768
<i>Security Capital</i>	Property Management	32,424,518	0.721
<i>Oncor Electric Delivery Co.</i>	Electric Utility	32,377,280	0.720
<i>Cypress Semiconductor</i>	Electronic Components Manufacturer	30,856,200	0.686
<i>Southwestern Bell Telephone</i>	Telecommunications	25,192,710	0.560
<i>Benj. E. Sherman &amp; Sons</i>	Property Management	<u>24,077,777</u>	<u>0.535</u>
		<u>\$535,813,376</u>	<u>11.912%</u>

**CITY OF ROUND ROCK, TEXAS**

**HOTEL TAXPAYERS**

**SEPTEMBER 30, 2002**

**(UNAUDITED)**

<u>Taxpayer</u>	<u>Total Collections Year Ended September 30, 2002</u>	<u>Number of Rooms</u>
<i>La Quinta Inn</i>	\$ 103,705	116
<i>Courtyard by Marriott</i>	114,799	113
<i>Red Roof Inn</i>	72,019	107
<i>Baymont Inn</i>	68,090	93
<i>Best Western Executive Inn</i>	60,498	67
<i>Days Inn &amp; Suites</i>	27,638	49
<i>Super 8 Motel</i>	44,304	62
<i>Extended Stay America</i>	42,500	138
<i>Wingate Inn</i>	66,154	101
<i>Pinnacle Suites</i>	127	27
<i>Residence Inn</i>	115,687	96
<i>Hilton Garden Inn</i>	136,329	122
<i>Comfort Suites</i>	55,468	62
<i>Springhill Suites</i>	89,108	104
<i>Hampton Inn</i>	98,366	93
<i>Staybridge Suites</i>	50,347	81
<i>Austin Marriott North</i>	314,608	295
<i>Candlewood Suites</i>	16,481	98
<i>Lodge at Warner Ranch</i>	<u>822</u>	<u>5</u>
	<u>\$1,477,050</u>	<u>1,829</u>

**CITY OF ROUND ROCK, TEXAS**

**HOTEL OCCUPANCY TAX COLLECTION HISTORY BY QUARTER**

**LAST TEN YEARS**

**(UNAUDITED)**

<u>Fiscal Year Ended 9-30</u>	<u>1<sup>st</sup> Quarter Oct. – Dec.</u>	<u>2<sup>nd</sup> Quarter Jan. – Mar.</u>	<u>3<sup>rd</sup> Quarter Apr. – June</u>	<u>4<sup>th</sup> Quarter July – Sept.</u>	<u>Total</u>
	\$	\$	\$	\$	\$
1993	33,930	31,575	35,376	42,828	143,709
1994	42,025	39,596	40,531	48,247	170,399
1995	50,325	45,553	51,511	57,165	204,554
1996	58,008	59,915	45,806	71,836	235,565
1997	60,820	76,515	89,230	113,027	339,592
1998	102,162	99,392	101,966	130,835	434,355
1999	121,858	134,096	163,087	197,442	616,483
2000	219,642	215,824	255,911	326,448	1,017,825
2001	323,789	308,735	333,479	388,426	1,354,429
2002	360,606	307,427	368,583	440,434	1,477,050

**CITY OF ROUND ROCK, TEXAS**

**MISCELLANEOUS STATISTICS**

**SEPTEMBER 30, 2002**

**(UNAUDITED)**

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Established <sup>(1)</sup>	1850
Date of Incorporation	1913
Form of Government	Council - Manager
Area	28 Square miles
Fire Protection <sup>(2)</sup> -	
Number of stations	5
Number of firefighters	79 Salaried 39 Volunteer
Police protection <sup>(2)</sup> -	
Number of stations	1
Number of police officers	107
Municipal Water Department <sup>(2)</sup> -	
Number of consumers	22,650
Average monthly consumption	438,000,000 Gallons
Residential, Commercial, Industrial Building Permits <sup>(2)</sup>	1,438
Recreation and Culture <sup>(2)</sup> -	
Number of parks	76
Number of libraries	1
Number of library volumes	128,115 (approx.)
Employees <sup>(2)</sup>	606

<sup>(1)</sup> Source: Round Rock Chamber of Commerce

<sup>(2)</sup> Source: City of Round Rock

