

City of Roanoke Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For Fiscal Year
Ended September 30,
2009*



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Roanoke

Rising Star of the Metroplex

CITY OF ROANOKE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2009

AS PREPARED BY THE
FINANCE DEPARTMENT



Roanoke

Rising Star of the Metroplex

**CITY OF ROANOKE, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED SEPTEMBER 30, 2009**

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March 9, 2010

Honorable Mayor and City Council,
City Manager,
Citizens of the City of Roanoke:

The Comprehensive Annual Financial Report (CAFR) of the City of Roanoke, Texas (the City), for the fiscal year ended September 30, 2009, is submitted herewith. The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. I believe the enclosed data is accurate and presented in a manner designed to present fairly the financial position and results of the City, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

PROFILE OF THE GOVERNMENT

The City of Roanoke, incorporated in 1933, is located in Denton County and is 23 miles north of Fort Worth and 30 miles west of Dallas. The City of Roanoke currently occupies a land area of 6.5 square miles and serves a population of approximately 6,950. The city is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexations, which could occur periodically when deemed appropriate by the governing council.

The City Council is comprised of a mayor and six members and is responsible for enacting ordinances and resolutions, adopting the budget, and regulations governing the City. The City Council hires the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The City Council is elected on a non-partisan basis. The mayor and council members serve three-year terms. The six council members are elected by ward, and the mayor is elected at large.

The City provides a full range of services. These include police, fire, emergency ambulance service, library, parks and recreation, visitor center and museum, water, sewer, refuse collection and disposal, street maintenance, community development (planning and zoning), public improvements, and general administrative services.

The financial reporting entity (the government) includes all funds of the primary government (i.e. the City of Roanoke), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are legally separate entities and not part of the primary government's operations. The Roanoke Economic Industrial Development Corporation (REIDC) and the Roanoke Economic Community Development Corporation (REDC) are included in the financial statements as discretely presented component units.

The annual budget serves as the foundation for the City of Roanoke's financial planning and control. All departments are required to submit to the City Manager, requests for appropriation, no later than June 1. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Council by July 15. The council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City of Roanoke's fiscal year. Budgetary control is maintained at the fund level. Transfers of appropriations within a department and within funds may be made with approval of the City Manager. Transfers between funds or additional appropriation require the approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

LOCAL ECONOMY

The City of Roanoke is enjoying a favorable economic environment even with the recent downturn in the national economy. Companies are continuing to find Roanoke to be a prime location in which to set up operations. The City of Roanoke has been successful in recruiting several Fortune 50 and Fortune 500 companies, creating jobs and significantly expanding the local tax base.

Major capital improvement projects include **facility projects** –new Fire Station, **street and drainage projects** – downtown Oak Street reconstruction, streetlight improvement project, Marshall Creek Phase I subdivision street improvements; **parks and recreation projects** – soccer complex; **water and sewer projects** –elevated storage tank, Marshall Creek waterlines and various water/sewer lines and mains.

LONG-TERM FINANCIAL PLANNING

Unreserved, undesignated fund balance in the general fund is \$4,422,246 (35.91% of total general fund revenues). The Charter requires that the City strive to maintain a minimum fund balance reserve equal to two months (16%) of the total operating revenues of the general fund.

The City of Roanoke has a five-year capital improvement plan. Major capital improvement plans for the next five years include: **facilities** – library expansion, **street and drainage projects** – Oak Street reconstruction, citywide drainage and concrete improvements, railroad quiet zones and Marshall Creek Phase II – IV subdivision street improvements, various downtown parking lots, **parks and recreation projects** – soccer complex, **water and sewer projects** – 1.5 mg elevated tank, Marshall Creek waterlines, waterline improvement program and repainting of water towers.

MAJOR INITIATIVES

For Fiscal Year 2009-2010, the top priority projects for the City are: Oak Street reconstruction project, the new Roanoke Soccer complex and completion of the Elevated Storage Tank. In previous years, the City issued approximately \$12 million in Certificates of Obligation to fund these projects, with additional funding coming from REIDC (Type A) and RECDC (Type B) corporations.

OTHER INFORMATION

The City is required to have its records and accounts audited annually. The City Council selected the firm of Haynes and Associates, Certified Public Accountants. The independent auditor's opinion has been included in this report.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificated of Achievement for Excellence in Financial Reporting to the City of Roanoke for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2008. This is the fourth consecutive year that the government 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 GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR 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.

The preparation of this report could not be accomplished on a timely basis without the assistance of the entire staff of the Finance and Administration Departments and our independent auditor. I would like to express my sincere appreciation to those persons who have made possible the publication of this report. I would also like to thank the City Manager and the members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible manner.

Respectfully Submitted,

Debra L. Wallace
Assistant City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Roanoke
Texas

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

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



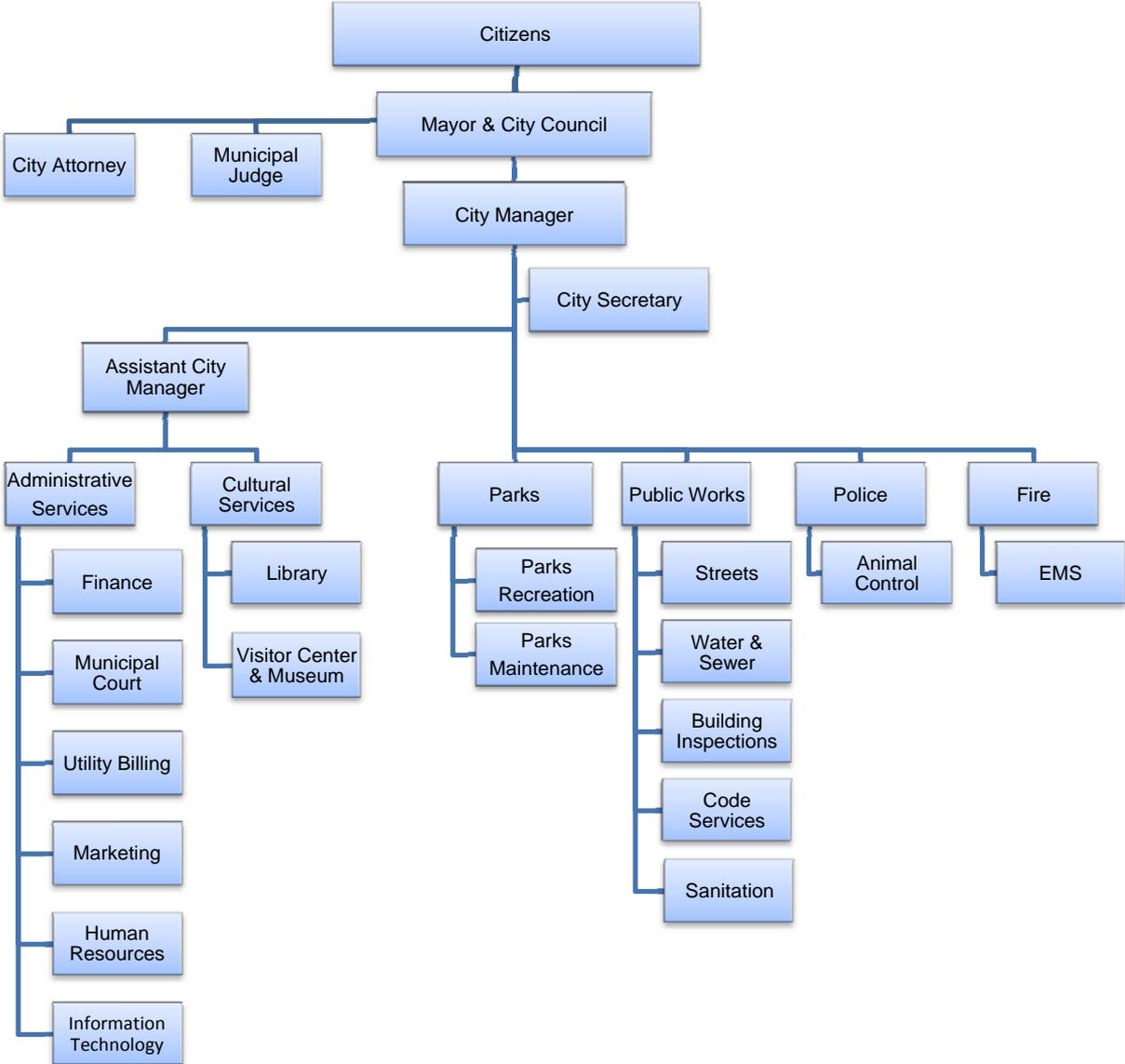
A stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

City of Roanoke FY 2008-2009



CITY OF ROANOKE, TEXAS CITY OFFICIALS

CITY COUNCIL

Carl E. Gierisch, Jr., Mayor
Brian Darby
Steve Heath
Sharron Holland
Holly McPherson
Melvin Smith
Kevin Stillwell

CITY MANAGER

Jimmy Stathatos

ASSISTANT CITY MANAGER

Debra L. Wallace

Haynes & Associates, P.C.
Certified Public Accountants
405 North Oak Street
Roanoke, Texas 76262
817-491-1300

Independent Auditor's Report

Members of the City Council
City of Roanoke, Texas
108 S. Oak Street
Roanoke, Texas 76262

Members of the Board:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Roanoke, Texas (the City) as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's administrators. 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

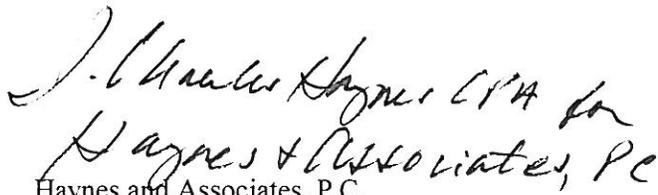
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information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

Management's discussion and analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management

regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2010, on our consideration of the City'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 *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise City of Roanoke, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.


Haynes and Associates, P.C.
February 25, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Roanoke, we offer readers of the City of Roanoke's financial statements this narrative overview and analysis of the financial activities for the City of Roanoke for the fiscal year ended September 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i – iii of this report.

I. FINANCIAL HIGHLIGHTS

- The assets of the City of Roanoke exceeded its liabilities at the close of the most recent fiscal year by \$26,264,893 (net assets).
- The government's total net assets increased by \$979,251. The highlights of this increase can be found on page 7 of this report.
- As of the close of the current fiscal year, the City of Roanoke's governmental funds reported combined ending funds balances of \$13,668,848. Approximately, 35% of this amount, \$4,771,848, is available for spending at the government's discretion (unreserved, undesignated fund balance).
- At the end of the current fiscal year, unreserved undesignated fund balance for the general fund was \$4,422,246, or 35.91% (131 days) of total general fund revenues.
- The City of Roanoke's total liabilities decreased by \$2,151,245 during the current fiscal year. The highlights of this decrease can be found on page 7 of this report.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The statement of activities presents information showing how the government's net assets changed during the recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). Both the statement of net assets and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

In the Statement of Net Assets and the Statement of Activities, the city is divided into three kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including administrative, development, fire, police, library, parks and public works. Property taxes, sales taxes, hotel occupancy taxes, franchise fees, license and permit fees finance most of these activities.

- Business-type activities – The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City’s water and wastewater system and sanitation are reported here.
- Component units – The City includes two separate legal entities in its report – the Roanoke Economic Industrial Development Corporation and Roanoke Economic Community Development Corporation. Although legally separate, these component units are important because the City is financially accountable for them.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Roanoke, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Roanoke can be divided into two categories: governmental funds and proprietary funds.

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

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

The City of Roanoke maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, Debt service fund, Facilities improvement fund, Street construction fund, Park construction fund and the Briarwyck PID fund, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Roanoke adopts an annual appropriated budget for its general fund and debt service fund. Budgetary comparison statements are provided for the general fund and the debt service fund to demonstrate compliance with the budget.

Proprietary funds. The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. There are two types of proprietary funds: enterprise funds and internal service funds. The City does not utilize any internal service funds. The City of Roanoke currently has only two enterprise funds, the Water and Wastewater fund and the Sanitation fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the financial section.

Other information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City of Roanoke’s progress in funding its obligation to provide pension benefits to its employees.

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Roanoke, assets exceed liabilities by \$26,264,893 at the close of the most recent fiscal year. One of the largest portion of the City's net assets (\$15,340,355, or 58.4%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business Type Activities		Total	
	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008
Current and other assets	\$14,345,953	\$17,971,276	\$707,018	\$3,977,793	\$15,052,971	\$21,949,069
Capital assets	32,239,093	28,967,207	14,986,496	12,555,206	47,225,589	41,522,413
Total Assets	46,585,046	46,938,483	15,693,514	16,532,999	62,278,560	63,471,482
Long term liabilities outstanding	25,876,752	29,057,772	6,678,265	7,147,836	\$32,555,017	\$36,205,608
Other liabilities	2,554,016	1,314,708	904,634	665,524	3,458,650	1,980,232
Total Liabilities	28,430,768	30,372,480	7,582,899	7,813,360	36,013,667	38,185,840
NET ASSETS						
Invested in capital assets (net of related debt)	7,361,797	2,811,859	7,978,558	5,467,955	15,340,355	8,279,814
Restricted	8,816,153	13,257,088	493,436	2,727,722	9,309,589	15,984,810
Unrestricted	1,976,328	497,056	(361,379)	523,962	1,614,949	1,021,018
Total Net Assets	\$18,154,278	\$16,566,003	\$8,110,615	\$8,719,639	\$26,264,893	\$25,285,642

An additional portion of the City of Roanoke's net assets (\$9,309,589, or 35.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets generally is used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported a positive balance in all three categories of net assets, for the government as a whole and for its separate government and business-type activities.

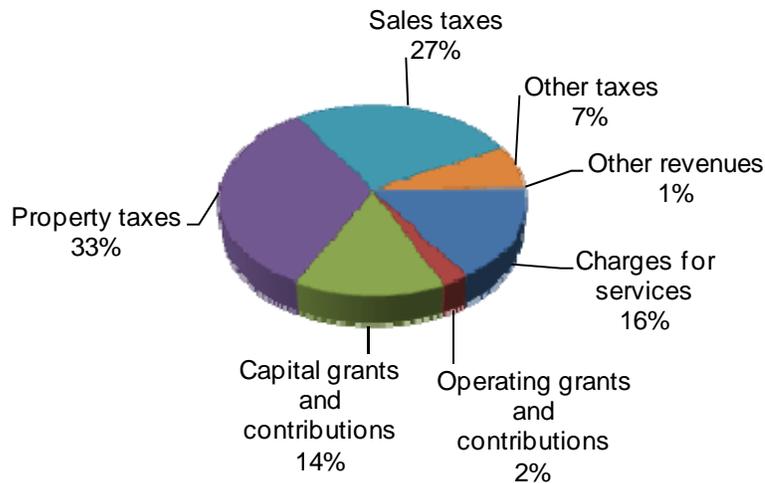
The City's net assets increased by \$979,251 during the current fiscal year. This increase represents the degree to which increases in ongoing revenues have exceeded similar increases in ongoing expenses. The key element of this increase is as follows:

Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008
Revenues:						
Program revenues:						
Charges for services	\$2,362,756	\$2,412,117	\$2,818,752	\$3,293,431	\$5,181,508	\$5,705,548
Operating grants and contributions	373,390	87,799	0	0	373,390	87,799
Capital grants and contributions	2,157,763	4,564,206	900,000	2,597,804	3,057,763	7,162,010
General revenues:						
Property taxes	5,023,619	4,765,642	0	0	5,023,619	4,765,642
Other taxes	5,052,444	5,283,978	0	0	5,052,444	5,283,978
Other revenues	92,044	325,769	14,767	139,849	106,811	465,618
Total revenues	\$15,062,016	\$17,439,511	\$3,733,519	\$6,031,084	\$18,795,535	\$23,470,595
Expenses:						
General government	\$1,942,077	\$2,034,964	\$0	\$0	\$1,942,077	\$2,034,964
Fire and EMS	2,229,949	2,089,902	0	0	2,229,949	2,089,902
Municipal Court	209,265	204,070	0	0	209,265	204,070
Police	3,660,495	3,475,674	0	0	3,660,495	3,475,674
Library	501,804	457,318	0	0	501,804	457,318
Parks and recreation	2,589,002	2,376,314	0	0	2,589,002	2,376,314
Public works	1,237,478	952,068	0	0	1,237,478	952,068
Interest on long-term debt	1,321,133	862,460	0	0	1,321,133	862,460
Water/Wastewater	0	0	4,084,247	3,804,237	4,084,247	3,804,237
Sanitation	0	0	40,834	32,569	40,834	32,569
Total expenses	\$13,691,203	\$12,452,770	\$4,125,081	\$3,836,806	\$17,816,284	\$16,289,576
Increase (decrease) in net assets before transfers	1,370,813	4,986,741	(391,562)	2,194,278	979,251	7,181,019
Transfers	217,462	(201,323)	(217,462)	201,323	0	0
Increase in net assets	1,588,275	4,785,418	(609,024)	2,395,601	979,251	7,181,019
Net Assets - Beginning	16,566,003	11,780,585	8,719,639	6,324,038	25,285,642	18,104,623
Net Assets - Ending	\$ 18,154,278	\$ 16,566,003	\$ 8,110,615	\$ 8,719,639	\$ 26,264,893	\$ 25,285,642

Governmental activities. The following chart illustrates the City's revenue by sources for governmental activities.

Revenues by Source - Governmental Activities



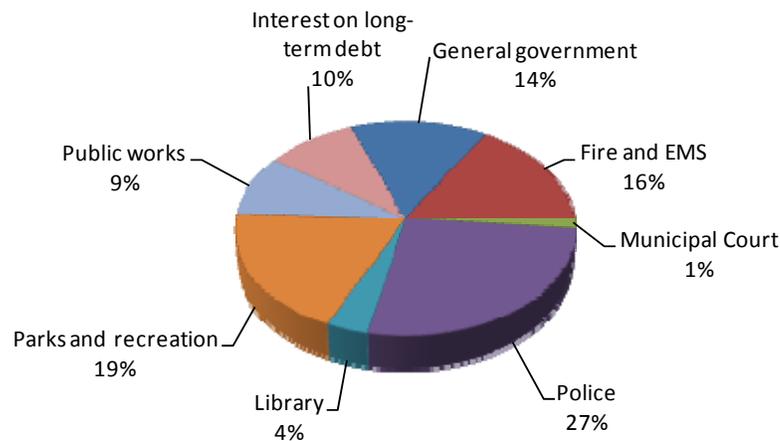
Revenues for the City's governmental activities decreased by \$2,397,495 or 14% to \$15,042,016. Major components of the increases are explained as follows:

- Capital grants and contributions decreased by \$2,406,443 or 53% to \$2,157,763. This was primarily due to the developer contribution received last fiscal year for the Briarwyck subdivision.
- Property taxes increased by \$237,977 or 5% to \$4,765,642. This was due to an increase in property tax base and assessed value. The property tax rate did not increase for FY2008.
- Sales taxes, which decreased by \$392,467 or 9% to \$4,377,361. This was primarily due to an increase in retail businesses in the previous year plus the economic slowdown in the current year nationwide.

Expenses for governmental activities increased by \$1,238,433 or 10% to \$13,691,203. Major components of the increases are explained as follows:

- Salaries and Benefits increased approximately \$545,000. Full year funding of positions added in FY 2008, additional positions added in FY2009 and annual increases make up this increase.
- Interest expense on outstanding debt increases approximately \$210,000.
- Increase in payments to program instructors at the Recreation Center \$108,000.
- The Roanoke Visitor Center and Museum was fully operational in FY 2009 with increases of \$60,000.
- Approximately \$55,000 increased expenses related to information technology updates and storage capacity.
- Increased expenses in the Parks maintenance department due to increased maintenance of parks and medians; maintenance and fuel increased \$43,000, various additional equipment for park and ball field maintenance \$25,000.
- Increased expenses in the Fire Department related to the new Fire Station; Electricity increased \$18,000, additional equipment \$28,000. Finance payments increased \$35,000 due to the financing of an engine and ambulance.
- Miscellaneous citywide facility renovations increased expenses by approximately \$60,000.

Expenditures by Activities - Governmental Activities



Business –type activities. Business type activities net assets decreased by \$609,024. Key elements of this decrease are as follows:

- Decrease in grant revenue and economic development corporation contributions \$300,000.
- Decrease in impact fees, approximately \$155,000, due to last year receiving the majority of the impact fees related to the first phase of the Briarwyck subdivision.
- Salaries and Benefits increased approximately \$105,000. Additional position added in FY2009 and annual increases make up this increase.

IV. FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

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

Governmental funds. The focus of governmental funds is to provide information on near-term inflow, outflows, and balances of spendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. At the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$13,668,848 a decrease of \$2,987,720 in comparison with the prior year.

Approximately 62% of this amount (\$8,442,256) is unreserved, designated for capital projects and special revenue funds, and 35% of this amount (\$4,771,848) constitutes unreserved, undesignated fund balance, which is available for spending at the government’s discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$373,897) and 2) prepaids (\$80,847).

The general fund is the chief operating fund of the City of Roanoke. At the end of the current fiscal year, the unreserved fund balance was \$4,422,246 and total fund balance was \$4,503,093. As a measure of the general fund’s liquidity, it may be useful to compare unreserved fund balance to total fund operating revenues. Unreserved fund balance represents 35.91% of total general fund operating revenues, or 131 days.

The general fund balance increased by \$1,405,717 during the current fiscal year. There were revenue increases in franchise taxes, as well as charges for services received and a decrease in transfers out.

The debt service fund has a total fund balance of \$373,897, all of which is reserved for the payment of debt. There was a net decrease of \$4,812,468 in fund balance during the current year. The decrease was due to debt proceeds being transferred to the appropriate capital project funds.

Proprietary Funds. The City of Roanoke’s proprietary funds, Water and Wastewater and Sanitation, provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets for the Water and Wastewater fund were a negative balance of \$(342,056). The Sanitation fund had a negative balance of unrestricted net assets of \$(19,323). Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Roanoke’s business-type activities.

V. GENERAL FUND BUDGETARY HIGHLIGHTS

During FY2008-2009, the City Council of the City of Roanoke amended the budget for the General Fund two times. The amendments consisted of a reappropriations amendment for funds not expended in the previous fiscal year, and an amendment for program instructor fees for the Recreation Center, truck route signage and Fire Museum restoration expenses.

Actual revenues were higher than the final budget by \$859,535 and actual expenditures were lower

by \$403,013. The decrease in expenditures was primarily due to facade grant funds not being awarded, lower than budgeted fuel costs, and some salary savings due to staffing changes within the various departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The investment in capital assets for its governmental and business type activities as of September 30, 2009, amounts to \$47,225,589 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, facilities, roads, and water and sewer systems. About 68% of the capital assets are governmental and 32% are business type activities.

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>FY2009</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2008</u>
Land	\$1,109,804	\$410,994	\$0	\$0	\$1,109,804	\$410,994
Land Improvements	3,345,066	3,542,462	0	0	3,345,066	3,542,462
Buildings/Structures	9,934,742	10,529,658	0	0	9,934,742	10,529,658
Vehicles/Machinery	1,689,715	1,722,496	454,013	233,851	2,143,728	1,956,347
Equipment	732,350	680,747	0	0	732,350	680,747
Infrastructure	6,953,194	7,023,603	0	0	6,953,194	7,023,603
Water/Sewer system	0	0	9,686,212	10,301,255	9,686,212	10,301,255
Construction in progress	8,474,222	5,057,247	4,846,271	2,020,100	13,320,493	7,077,347
Total	<u>\$32,239,093</u>	<u>\$28,967,207</u>	<u>\$14,986,496</u>	<u>\$12,555,206</u>	<u>\$47,225,589</u>	<u>\$41,522,413</u>

Major governmental-type capital improvement projects during the current fiscal year included the following:

<u>Project</u>	<u>Amount</u>
Oak Street	\$ 2,677,081
Fire Station	<u>578,054</u>
	\$ 3,255,135

Major enterprise capital improvement projects during the current fiscal year included the following:

<u>Project</u>	<u>Amount</u>
Elevated Storage tank	\$ 1,961,128
Marshall Creek waterlines	<u>170,806</u>
	\$ 2,131,934

Additional information on the capital assets can be found in Note 4(D) on page 33 of this report.

Long-term debt. At year-end, the City had \$32,420,000 in bonds compared to \$33,840,000 at the end of the prior fiscal year, a decrease of 4% as shown below.

Outstanding Debt, at Year-end

	<u>FY2009</u>	<u>FY2008</u>	<u>Increase (Decrease)</u>	<u>% of Change</u>
General obligation bonds	\$2,065,000	\$2,535,000	(\$470,000)	-19%
Certificates of obligation	27,975,000	28,805,000	(830,000)	-3%
Special assessment debt	<u>2,380,000</u>	<u>2,500,000</u>	<u>(120,000)</u>	<u>-5%</u>
Total outstanding debt	<u>\$32,420,000</u>	<u>\$33,840,000</u>	<u>(\$1,420,000)</u>	<u>-4%</u>

In September 2008, the City's general obligation bond rating was increased from "A" to "A+" by Standard & Poors and remained the same at "AA" by Moody's Investors Service.. Additional information on the long-term debt can be found in in Note 4(G) on pages 36–38 of this report.

VI. ECONOMIC FACTORS AND NEXT YEARS BUDGETS

The City's elected and appointed officials consider many factors when preparing the City of

Roanoke's budget for the 2010 fiscal year. The property tax rate for fiscal year 2010 remains the same as fiscal year 2009 at \$.37512 per \$100 assessed value.

During the current fiscal year, unreserved and undesignated general fund balance increased to \$4,422,246. The City appropriated \$545,593 of this amount for spending in the fiscal year 2010 budget. This would leave 115 days in unreserved and undesignated fund balance available for spending.

Based on the water and wastewater study done in FY2007, water and wastewater rates were changed again in October 2009. The water volume rate is at \$2.56 per thousand gallons for all commercial, residential and irrigation customers with consumption of up to 10,000 gallons, \$3.20 from 10,001 to 15,000 gallons, \$3.84 from 15,001 to 25,000 gallons and \$4.48 over 25,000 gallons. The wastewater rate as changed to \$3.49 per thousand gallons of water used. Additionally the rates will be reviewed by the City Council annually.

Requests for Information. This financial report is designed to provide a general overview of the City of Roanoke's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Assistant City Manager, City of Roanoke, 108 S. Oak Street, Roanoke, Texas 76262.

CITY OF ROANOKE, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business Type Activities	Total	Roanoke Economic Dev. Corporation	Roanoke Community Dev. Corporation
ASSETS					
Cash and cash equivalents	\$13,477,885	\$236,994	\$13,714,879	\$560,014	\$479,076
Investments	449,271	20,000	469,271	0	0
Receivables (net for allowance for uncollectibles)	180,763	357,737	538,500	0	0
Prepaid items	80,845	180	81,025	0	0
Restricted assets					
Cash and cash equivalents	0	249,296	249,296	0	0
Capital assets					
Non Depreciable	1,109,804	0	1,109,804	0	0
Depreciable (net)	31,129,289	14,986,496	46,115,785	0	0
Total Assets	46,585,046	15,693,514	62,278,560	560,014	479,076
LIABILITIES					
Accounts payable	\$80,803	\$138,778	\$219,581	\$0	\$0
Other accrued liabilities	453,512	133,176	586,688	0	0
Deferred revenue	142,790	0	142,790	0	15,000
Deposits	0	249,296	249,296	0	0
Non Current Liabilities					
Due within one year					
Accrued compensated absences	148,186	15,157	163,343	0	0
Notes payable	110,844	0	110,844	0	0
Capital leases payable	169,125	18,841	187,966	0	0
Bonds payable	1,185,095	314,905	1,500,000	0	0
Special assessment debt	125,000	0	125,000	0	0
Interest payable	138,661	34,481	173,142	0	0
Due in more than on year					
Accrued compensated absences	110,230	4,073	114,303	0	0
Notes payable	652,074	0	652,074	0	0
Capital leases payable	786,913	206,727	993,640	0	0
Bonds payable	22,072,535	6,467,465	28,540,000	0	0
Special assessment debt	2,255,000	0	2,255,000	0	0
Total Liabilities	28,430,768	7,582,899	36,013,667	0	15,000
NET ASSETS					
Invested in capital assets (net of related debt)	7,361,797	7,978,558	15,340,355	0	0
Restricted for:					
Capital projects	6,212,899	493,436	6,706,335	0	0
Debt Service	373,897	0	373,897	0	0
Briarwyck PID debt service	2,229,357	0	2,229,357	0	0
Unrestricted	1,976,328	(361,379)	1,614,949	560,014	464,076
Total Net Assets	\$18,154,278	\$8,110,615	\$26,264,893	\$560,014	\$464,076

The notes to the financial statements are an integral part of this statement



Roanoke

Rising Star of the Metroplex

**CITY OF ROANOKE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$1,942,077	\$886,871	\$4,593	\$0
Fire and EMS	2,229,949	341,654	296,611	0
Municipal Court	209,265	392,807	0	0
Police	3,660,495	38,541	71,842	0
Library	501,804	8,304	0	7,100
Parks and recreation	2,589,002	694,579	344	2,019,770
Public works	1,237,478	0	0	130,893
Interest on long-term debt	1,321,133	0	0	0
Total governmental activities	13,691,203	2,362,756	373,390	2,157,763
Business-Type Activities:				
Water/Wastewater	4,084,247	2,818,752	0	900,000
Sanitation	40,834	0	0	0
Total business-type activities	4,125,081	2,818,752	0	900,000
Total primary government	\$17,816,284	\$5,181,508	\$373,390	\$3,057,763
Component units:				
Roanoke Economic Industrial Development Corp	0	0	0	0
Roanoke Economic Community Development Corp	0	0	0	0
Total component units	\$0	\$0	\$0	\$0

General revenues:
Property taxes
Sales taxes
Franchise taxes
Other taxes
Investment income
Transfers
Total general revenues and transfers
Change in net assets
Net assets - beginning
Net assets - ending

The notes to the financial statements are an integral part of this statement

**Net (Expense) Revenue and
Changes in Net Assets**

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	REIDC	RECDC
(\$1,050,613)	\$0	(\$1,050,613)	\$0	\$0
(1,591,684)	0	(1,591,684)	0	0
183,542	0	183,542	0	0
(3,550,112)	0	(3,550,112)	0	0
(486,400)	0	(486,400)	0	0
125,691	0	125,691	0	0
(1,106,585)	0	(1,106,585)	0	0
(1,321,133)	0	(1,321,133)	0	0
(8,797,294)	0	(8,797,294)	0	0
0	(365,495)	(365,495)	0	0
0	(40,834)	(40,834)	0	0
0	(406,329)	(406,329)	0	0
(\$8,797,294)	(\$406,329)	(\$9,203,623)	\$0	\$0
0	0	0	(2,297,810)	0
0	0	0	0	(2,038,216)
\$0	\$0	\$0	(\$2,297,810)	(\$2,038,216)
5,023,619	0	5,023,619	0	0
3,984,894	0	3,984,894	1,935,974	1,935,974
1,050,036	0	1,050,036	0	0
17,514	0	17,514	0	0
92,044	14,767	106,811	1,071	745
217,462	(217,462)	0	0	0
10,385,569	(202,695)	10,182,874	1,937,045	1,936,719
1,588,275	(609,024)	979,251	(360,765)	(101,497)
16,566,003	8,719,639	25,285,642	920,779	565,573
\$18,154,278	\$8,110,615	\$26,264,893	\$560,014	\$464,076

CITY OF ROANOKE, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

	General	Debt Service	Facilities Improvement
ASSETS:			
Cash and cash equivalents	\$4,350,061	\$373,897	\$28,721
Investments	449,271		
Receivables:			
Accounts	37,973		
Delinquent property taxes	23,242	18,448	
Prepays	80,845		
Accrued interest	0		
Advance to other funds	157,189		32,000
Total assets	<u>\$5,098,581</u>	<u>\$392,345</u>	<u>\$60,721</u>
LIABILITIES:			
Accounts payable	\$58,500		\$0
Other accrued liabilities	449,746		
Due to other funds	64,000		
Due to component unit			
Deferred revenue:			
Accounts	0		
Delinquent taxes	23,242	18,448	
Other liabilities	0		
Total liabilities	<u>595,488</u>	<u>18,448</u>	<u>0</u>
Fund balances:			
Reserved for:			
Debt service		373,897	
Prepays	80,847		
Unreserved, designated for, reported in:			
Capital projects			60,721
Briarwyck PID debt service			
Unreserved, undesignated for, reported in:			
General fund	4,422,246		
Special revenue funds			
Total fund balances	<u>4,503,093</u>	<u>373,897</u>	<u>60,721</u>
Total liabilities and fund balances	<u>\$5,098,581</u>	<u>\$392,345</u>	<u>\$60,721</u>

The notes to the financial statements are an integral part of this statement

Street Construction	Park Construction	Briarwyck PID	Other Governmental Funds	Total Governmental Funds
\$4,493,954	\$1,637,124	\$2,229,357	\$364,771	\$13,477,885
			0	449,271
		0	0	37,973
			0	41,690
			0	80,845
				0
32,000			6,155	227,344
<u>\$4,525,954</u>	<u>\$1,637,124</u>	<u>\$2,229,357</u>	<u>\$370,926</u>	<u>\$14,315,008</u>
\$6,283	\$4,617		\$11,403	\$80,803
				449,746
			6,155	70,155
				0
				0
				41,690
			3,766	3,766
<u>6,283</u>	<u>4,617</u>	<u>0</u>	<u>21,324</u>	<u>646,160</u>
				373,897
				80,847
4,519,671	1,632,507			6,212,899
		2,229,357		2,229,357
				4,422,246
			349,602	349,602
<u>4,519,671</u>	<u>1,632,507</u>	<u>2,229,357</u>	<u>349,602</u>	<u>13,668,848</u>
<u>\$4,525,954</u>	<u>\$1,637,124</u>	<u>\$2,229,357</u>	<u>\$370,926</u>	<u>\$14,315,008</u>

**CITY OF ROANOKE, TEXAS
RECONCILIATION OF THE STATEMENT OF NET ASSETS
OF GOVERNMENTAL FUNDS
TO THE BALANCE SHEET
AS OF SEPTEMBER 30, 2009**

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

Total fund balance per balance sheet	\$13,668,848
Capital assets used in governmental activities are not financial resources and, therefore, are deferred in the funds	32,239,093
Other long-term assets are not available to pay for current-period expenditures, and, therefore, are deferred in the funds	
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(27,753,663)
Net assets of governmental activities	<u>\$18,154,278</u>

The notes to the financial statements are an integral part of this statement



CITY OF ROANOKE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	General	Debt Service	Facilities Improvement
Revenues:			
Property taxes	\$2,801,855	\$2,221,764	
Sales and use taxes	3,871,947		
Franchise taxes	1,050,036		
Licenses and permits	541,148		
Liquor taxes	17,514		
Charges for services	1,341,420		
Grants and awards	2,229,093		
Fines and forfeitures	396,251		
Investment income	19,298		2,151
Donations	4,265		
Miscellaneous	42,248		0
Total Revenues	12,315,075	2,221,764	2,151
Expenditures:			
Current:			
General government	1,813,786		
Fire and EMS	2,267,057		
Municipal Court	207,898		
Police	3,485,807		
Library	476,409		
Parks and recreation	1,994,248		
Public works	720,686		1,000
Debt Service:			
Principal		1,013,953	
Interest & fiscal charges	0	1,157,518	
Capital Outlay	0		1,276,864
Total expenditures	10,965,891	2,171,471	1,277,864
Excess (deficiency) of revenues over expenditures	1,349,184	50,293	(1,275,713)
Other financing sources (uses):			
Debt issuance			
Capital leases	138,261		
Transfers in	444,346	0	1,075,357
Transfers out	(526,074)	(4,862,761)	(332,100)
Total other financing sources (uses)	56,533	(4,862,761)	743,257
Net changes in fund balances	1,405,717	(4,812,468)	(532,456)
Fund balances, beginning of year	3,097,376	5,186,365	593,177
Fund balances, end of year	\$4,503,093	\$373,897	\$60,721

Street Construction	Park Construction	Briarwyck PID	Other Governmental Funds	Total Governmental Funds
			\$0	\$5,023,619
			112,947	3,984,894
				1,050,036
				541,148
				17,514
				1,341,420
			78,656	2,307,749
				396,251
44,625	12,960	12,972	38	92,044
			14,078	18,343
			41,689	83,937
<u>44,625</u>	<u>12,960</u>	<u>12,972</u>	<u>247,408</u>	<u>14,856,955</u>
			49,055	1,862,841
			93,830	2,360,887
				207,898
			105,787	3,591,594
			1,506	477,915
			8,543	2,002,791
			9,279	730,965
		120,000		1,133,953
		163,615		1,321,133
3,182,167	51,390		0	4,510,421
<u>3,182,167</u>	<u>51,390</u>	<u>283,615</u>	<u>268,000</u>	<u>18,200,398</u>
<u>(3,137,542)</u>	<u>(38,430)</u>	<u>(270,643)</u>	<u>(20,592)</u>	<u>(3,343,443)</u>
				0
				138,261
2,893,236	2,168,625	0	212,436	6,794,000
0	(711,257)	0	(144,346)	(6,576,538)
<u>2,893,236</u>	<u>1,457,368</u>	<u>0</u>	<u>68,090</u>	<u>355,723</u>
(244,306)	1,418,938	(270,643)	47,498	(2,987,720)
4,763,977	213,569	2,500,000	302,104	16,656,568
<u>\$4,519,671</u>	<u>\$1,632,507</u>	<u>\$2,229,357</u>	<u>\$349,602</u>	<u>\$13,668,848</u>

**CITY OF ROANOKE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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

Net change in fund balance - total governmental funds	(\$2,987,720)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	3,133,625
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The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items	1,437,023
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	5,347
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Change in net assets of governmental activities	<u><u>\$1,588,275</u></u>
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The notes to the financial statements are an integral part of this statement

CITY OF ROANOKE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive(Negative)
	Original	Final		
Revenues:				
Property taxes	\$2,402,876	\$2,402,876	\$2,801,855	\$398,979
Sales and use taxes	4,000,000	4,000,000	3,871,947	(128,053)
Franchise taxes	857,250	857,250	1,050,036	192,786
Licenses and permits	366,000	366,000	541,148	175,148
Liquor taxes	15,000	15,000	17,514	2,514
Charges for services	1,033,821	1,133,821	1,341,420	207,599
Grants and awards	2,229,093	2,229,093	2,229,093	0
Fines and forfeitures	408,500	408,500	396,251	(12,249)
Investment income	30,000	30,000	19,298	(10,702)
Donations	3,000	3,000	4,265	1,265
Miscellaneous	10,000	10,000	42,248	32,248
Total Revenues	<u>11,355,540</u>	<u>11,455,540</u>	<u>12,315,075</u>	<u>859,535</u>
Expenditures:				
General government	1,892,782	1,976,474	1,813,786	162,688
Fire and EMS	2,220,781	2,206,534	2,128,796	77,738
Municipal Court	216,546	214,507	207,898	6,609
Police	3,667,583	3,637,590	3,485,807	151,783
Library	475,807	476,490	476,409	81
Parks and recreation	1,965,265	1,998,322	1,994,248	4,074
Public works	709,630	720,726	720,686	40
Total expenditures	<u>11,148,394</u>	<u>11,230,643</u>	<u>10,827,630</u>	<u>403,013</u>
Excess (deficiency) of revenues over expenditures	<u>207,146</u>	<u>224,897</u>	<u>1,487,445</u>	<u>1,262,548</u>
Other financing sources (uses):				
Transfers in	444,346	444,346	444,346	0
Transfers out	(462,074)	(526,074)	(526,074)	0
Total other financing sources (uses)	<u>(17,728)</u>	<u>(81,728)</u>	<u>(81,728)</u>	<u>0</u>
Extraordinary Item:				
Net changes in fund balances	189,418	143,169	1,405,717	1,262,548
Fund balances, beginning of year	<u>3,097,376</u>	<u>3,097,376</u>	<u>3,097,376</u>	<u>0</u>
Fund balances, end of year	<u>\$3,286,794</u>	<u>\$3,240,545</u>	<u>\$4,503,093</u>	<u>\$1,262,548</u>

The notes to the financial statements are an integral part of this statement

**CITY OF ROANOKE, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2009**

Business-type Activities - Enterprise Funds

	Water and Wastewater	Sanitation	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$236,994	\$0	\$236,994
Investments	20,000	0	20,000
Restricted cash:			0
Customer deposits	249,296	0	249,296
Receivables	350,386	7,351	357,737
Advance from other funds	26,674	0	26,674
Prepaid expenses	180	0	180
Total current assets	<u>883,530</u>	<u>7,351</u>	<u>890,881</u>
Noncurrent assets:			
Capital assets:			
Vehicles/Equipment	721,859	0	721,859
Water/Sewer System	17,797,180	0	17,797,180
Construction in progress	4,846,271	0	4,846,271
Less accumulated depreciation	(8,378,814)	0	(8,378,814)
Total capital assets (net of accumulated depreciation)	<u>14,986,496</u>	<u>0</u>	<u>14,986,496</u>
Total noncurrent assets	<u>14,986,496</u>	<u>0</u>	<u>14,986,496</u>
Total assets	<u>15,870,026</u>	<u>7,351</u>	<u>15,877,377</u>
LIABILITIES			
Contributions			
Accounts payable	138,778	0	138,778
Advance to other funds	157,189	26,674	183,863
Customer deposits payable	249,296	0	249,296
Other liabilities	133,176	0	133,176
Capitalized leases	18,841	0	18,841
Bonds payable	314,905	0	314,905
Accrued interest payable	34,481	0	34,481
Liability for compensated absences	15,157	0	15,157
Total current liabilities	<u>1,061,823</u>	<u>26,674</u>	<u>1,088,497</u>
Noncurrent liabilities:			
Capitalized leases	206,727	0	206,727
Bonds payable	6,467,465	0	6,467,465
Liability for compensated absences	4,073	0	4,073
Total noncurrent liabilities	<u>6,678,265</u>	<u>0</u>	<u>6,678,265</u>
Total liabilities	<u>7,740,088</u>	<u>26,674</u>	<u>7,766,762</u>
NET ASSETS			
Invested in capital assets, net of related debt	7,978,558	0	7,978,558
Restricted for:			
Capital projects	493,436	0	493,436
Unrestricted	(342,056)	(19,323)	(361,379)
Total net assets	<u>\$8,129,938</u>	<u>(\$19,323)</u>	<u>\$8,110,615</u>

The notes to the financial statements are an integral part of this statement

CITY OF ROANOKE, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Business-type Activities - Enterprise Funds

	Water and Wastewater	Sanitation	Total
Operating revenues:			
Water Sales	\$1,623,953	\$0	\$1,623,953
Sewer Service	744,951	0	744,951
Tap and reconnection fees	38,550	0	38,550
Impact fees	208,883	0	208,883
Intergovernmental	36,875		36,875
Miscellaneous	165,540	0	165,540
Total operating revenues	<u>2,818,752</u>	<u>0</u>	<u>2,818,752</u>
Operating expenses:			
Personnel services	737,855	0	737,855
Maintenance	116,376	0	116,376
T.R.A. requirement	976,161	0	976,161
Purchase of water	735,808	0	735,808
Contract payments	378,792	40,834	419,626
Materials and supplies	57,334	0	57,334
Heat, light and power	49,818	0	49,818
Depreciation	657,179	0	657,179
Other	78,507	0	78,507
Total operating expenses	<u>3,787,830</u>	<u>40,834</u>	<u>3,828,664</u>
Operating income	<u>(969,078)</u>	<u>(40,834)</u>	<u>(1,009,912)</u>
Nonoperating revenues (expenses):			
Investment income	14,767	0	14,767
Interest and fiscal charges	(296,417)	0	(296,417)
Gain(loss) from sale of equipment	0	0	0
Total nonoperating revenues (expenses)	<u>(281,650)</u>	<u>0</u>	<u>(281,650)</u>
Income before contributions and transfers	<u>(1,250,728)</u>	<u>(40,834)</u>	<u>(1,291,562)</u>
Contributions	900,000	0	900,000
Transfers in	325,444	60,000	385,444
Transfers out	(602,906)	0	(602,906)
Change in net assets	<u>(628,190)</u>	<u>19,166</u>	<u>(609,024)</u>
Total net assets - beginning	<u>8,758,128</u>	<u>(38,489)</u>	<u>8,719,639</u>
Total net assets - ending	<u>\$8,129,938</u>	<u>(\$19,323)</u>	<u>\$8,110,615</u>

The notes to the financial statements are an integral part of this statement

**CITY OF ROANOKE, TEXAS
STATEMENT OF CASHFLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Business-type Activities - Enterprise Funds		
	Water and Wastewater	Sanitation	Totals
Cash flows from operating activities:			
Cash received from customers	\$2,887,965	(\$7,351)	\$2,880,614
Cash payments to suppliers for goods and services	(2,553,463)	(52,649)	(2,606,112)
Cash payments for employee services	(736,224)	0	(736,224)
Net cash provided by (used in) operating activities	<u>(401,722)</u>	<u>(60,000)</u>	<u>(461,722)</u>
Cash flows from noncapital financing activities:			
Advances from other funds	157,189	0	157,189
Transfer in	325,444	60,000	385,444
Transfers out	(602,906)	0	(602,906)
Net cash provided by (used in) noncapital financing activities	<u>(120,273)</u>	<u>60,000</u>	<u>(60,273)</u>
Cash flows from capital and related financing activities:			
Capital contributions	900,000	0	900,000
Acquisition and construction of capital assets	(3,028,595)	0	(3,028,595)
Principal paid	(304,881)	0	(304,881)
Bond proceeds	665,441	0	665,441
Interest and fiscal charges paid	(296,417)	0	(296,417)
Net cash used for capital and related financing activities	<u>(2,064,452)</u>	<u>0</u>	<u>(2,064,452)</u>
Cash flows from investing activities:			
Interest on investments	14,767	0	14,767
Net cash provided by (used in) investing activities	<u>14,767</u>	<u>0</u>	<u>14,767</u>
Net increase (decrease) in cash	(2,571,680)	0	(2,571,680)
Cash and cash equivalents at beginning of year	3,057,970	0	3,057,970
Cash and cash equivalents at end of year	<u>486,290</u>	<u>0</u>	<u>486,290</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	<u>(969,078)</u>	<u>(40,834)</u>	<u>(1,009,912)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	657,179	0	657,179
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	31,411	(7,351)	24,060
Due from other funds	11,426		
Prepaid expenses	2,218	0	2,218
Increase (decrease) in liabilities:			
Accounts payable	(199,567)	(389)	(199,956)
Accrued liabilities	29,306	0	29,306
Due to other funds	7,376	(11,426)	(4,050)
Liability for accrued vacation	1,631	0	1,631
Deposits	26,376	0	26,376
Total adjustments	<u>567,356</u>	<u>(19,166)</u>	<u>536,764</u>
Net cash provided by (used in) operating activities	<u>(\$401,722)</u>	<u>(\$60,000)</u>	<u>(\$473,148)</u>

The notes to the financial statements are an integral part of this statement

CITY OF ROANOKE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2009

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Roanoke (the City) was incorporated in 1933. The City operates under a Council-Manager form of government and provides the following services: public safety, public works, public health and welfare, culture, recreation and waterworks.

The City reports in accordance with accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB). The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide concise explanation, including required disclosures of budgetary matters, assets, liabilities, fund equity, revenues, expenditures/expenses, and other information considered important to gaining a clear picture of the City's financial activities for the fiscal year ended September 30, 2009.

A. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. In evaluating how to define the government for financial reporting purposes, management has considered all entities for which the City is considered to be financially accountable. The City is governed by an elected mayor and six-member council. As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The discretely presented component units are reported in separate columns in the combined financial statements to emphasize that they are legally separate from the City.

The Roanoke Economic Industrial Development Corporation (REIDC) is a discretely presented component unit in the combined financial statements. The REIDC is governed by a five-member board appointed by the City Council. The City does not have a voting majority of the corporation. The purpose of the REIDC is to aid, promote and further the economic development within the City. The REIDC is financed with a voter approved half-cent city sales tax; therefore the organization is fiscally dependent upon the City. The nature and significance of the relationship between the primary government and the organization is such that exclusion would cause the City's financial statements to be misleading or incomplete. The REIDC is presented as a governmental fund type and has a September 30 year-end. The REIDC does not issue separate financial statements. For more information about the REIDC, refer to Note 11.

The Roanoke Community Economic Development Corporation (RCEDC) is also a discretely presented component unit in the combined financial statements. The RCEDC is governed by a seven-member board appointed by the City Council. The City does not have a voting majority of the corporation. The purpose of the RCEDC is to identify and fund public projects to maintain or enhance the quality of life for current and future residents, visitors and businesses of our community. The RCEDC is financed with a voter approved half-cent city sales tax; therefore the organization is fiscally dependent upon the City. The nature and significance of the relationship between the primary government and the organization is such that exclusion would cause the City's financial statements to be misleading or incomplete. The RCEDC is presented as a governmental fund type and has a September 30 year-end. The RCEDC does not issue separate financial statements. For more information about the RCEDC, refer to note 12.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support. Additionally, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

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

Separate fund based financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the funds financial statements. The major governmental funds are the general fund, debt service fund, facilities improvement fund, park construction fund and street construction fund. GASB Statement No. 34 set forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The non-major funds are detailed in the combining section of the statements.

C. Measurement Focus and Basis of Accounting

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

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

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

The government reports the following major funds types:

1. 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 liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The

measurement focus is upon determination of changes in financial position, rather than upon net income determination.

The following is a description of Major Governmental Funds of the City:

- a. The General Fund is the operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.
- b. The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid from taxes levied by the City.
- c. The Facilities Improvements Fund is used to account for the construction of new municipal buildings/facilities and renovations to existing facilities. Proceeds from the sale of certificate of obligation bonds provide financing.
- d. The Street Construction Fund is used to account for the financing and construction of various streets. Proceeds from the sale of certificate of obligation bonds and grants provide financing.
- e. The Park Construction Fund is used to account for the financing and construction of various park and recreation projects. Proceeds from the sale of certificate of obligation bonds, contributions and grants provide financing.
- f. The Briarwyck PID Fund is used to account for the costs incurred for improvements within the Briarwyck Public Improvement District, including debt service on obligations issued to pay the costs of the improvements.
- f. Other Governmental Funds is a summarization of all of the non-major governmental funds.

2. Proprietary Fund Types:

The Proprietary Funds are accounted for using the economic resources measurement focus. The accounting objectives are a determination of net income, financial position and changes in cash flows. All assets and liabilities associated with a Proprietary Fund's activities are included on its balance sheet.

The proprietary fund types are financed and operated in a manner similar to private business enterprise. The costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City has two proprietary funds:

- a. The Water and Wastewater Fund is used to account for the operations of the water and wastewater system.
- b. The Sanitation Fund is used to account for the operations of the sanitation system.

3. Non-Current Governmental Assets/Liabilities:

These records are maintained and incorporated into the information in the Governmental Activities column in the Government-wide Statement of Net Assets.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and

enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers for goods and services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The City currently invests only in certificates of deposit.

E. Prepaid Items

Prepaid balances are for payments made by the City for which benefits extend beyond September 30, 2009, and the reserve for prepaid items has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures

F. Interfund Transactions and Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts, and are reported as "due to /from other funds."

Legally authorized transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

G. Restricted Assets

Customer deposits received for water and wastewater service are, by law, to be considered restricted assets. These activities are included in the Water and Wastewater Fund.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	
Buildings/Structures	10 to 20 Years
Land Improvements	10 to 20 Years
Water and Sewer System	10 to 50 Years
Machinery and Equipment	5 to 20 Years
Motor Vehicles	5 to 8 Years
Parks	20 Years
Streets	20 Years

All capital assets are valued at historical cost or replacement cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated.

I. Compensated Absences

The City allows employees to accumulate up to 30 days of vacation time. Carryover of earned vacation time is limited to 240 hours. Upon termination, the City pays all accumulated vacation time not yet taken. Employees may sell back up to 5 vacation days to the City during June and December each year. If vacation time is sold back, each day bought back is deducted from the employee's accrued vacation balance. Vacation is earned in varying amounts up to a maximum of 20-30 days per year for employees with 10 years or more of service.

Employees can have up to 5 sick days "bought back" from the City each year. Each day that is sold back to the City is subtracted from the employee's accrued sick time balance. Unused sick time is not compensated at the time of termination.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

J. Long-term Obligations

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

K. Fund Equity

The City's reserves for escrow deposits, equipment, land, building and capital projects are exclusively for specifically identified capital outlays.

All fund balance reservations and designations are formally approved on an annual basis by the City Council.

(2) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

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

The details of the \$27,753,663 difference are as follows:

Bonds payable	\$ 23,257,630
Special Assessment debt	2,380,000
Capital leases	956,038
Notes payable	762,918
Compensated absences	258,416
Interest payable	<u>138,661</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 27,753,663</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$3,133,625 difference are as follows:

Capital outlay	\$ 4,909,742
Depreciation expense	<u>(1,776,117)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 3,133,625</u>

Another element of that reconciliation states “the issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$1,437,023 difference are as follows:

Principal repayments:	
General obligations, certificates of obligation bonds	(1,133,953)
Capital Leases	(197,299)
Notes Payable	<u>(105,771)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (1,437,023)</u>

Another element of that reconciliation states “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$5,347 difference are as follows:

Compensated absences	\$ <u>5,347</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of	

governmental activities

\$ 5,347

(3) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

The City establishes the fiscal year as the twelve-month period beginning October 1. Each department submits to the City Manager a budget of estimated expenditures for the ensuing fiscal year no later than June 1. The City Manager subsequently submits a budget of estimated expenditures and revenues to the City Council by July 15.

Upon receipt of the budget estimates, the Council holds a reading on the Budget Ordinance and Tax Roll Ordinance. Information about the Budget Ordinance is then published in the official newspaper of the City.

Prior to October 1, the budget is legally enacted through passage of an ordinance. The legal level of budgetary control is at the fund level. Budgetary control has been established at the detail level by line item activity for management control.

Budgeted amounts are as originally adopted, or as legally amended. The City Council may amend the budget by passing a budget appropriation ordinance. During fiscal year 2009, an additional \$146,250 for the General Fund was approved by the City Council.

Budgets for the General Fund and Debt Service Fund are legally adopted on a basis consistent with GAAP. Special Revenue Funds and Capital Projects Funds are budgeted over the life of the project and not on an annual basis.

Departmental appropriations that have not been expended by the departments at the end of the fiscal year lapse. Therefore, funds that were budgeted and not used by the departments during the fiscal year are not available for their use unless appropriated in the ensuing fiscal year's budget.

(4): DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits - State statutes require that all deposits be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. The City's demand deposits and certificates of deposit were fully insured or collateralized at September 30, 2009, with collateral required by the state statutes. At year-end, the bank balance of the City's deposits and cash on hand was \$ 14,433,446.

Investments - The City's investments are categorized as either (1) insured or registered for which the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name, or (3) uninsured and unregistered for which the securities are held by the counterparty, or its trust department or agent, but not in the City's name.

The City is allowed to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations, of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "AA" or its equivalent; (5) certificates of deposits issued by state and national banks domiciled in Texas that are guaranteed or insured by the Federal Deposit Insurance

Corporation or its successor, or secured by obligations mentioned above; and (6) fully collateralized direct repurchase agreements having a defined termination date.

For fiscal year 2009, the City invested only in certificates of deposits. The City records all interest revenue related to investment activities in the respective funds

B. Property Taxes

Property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Assessed value represents the appraisal value less applicable exemptions authorized by the City Council. Appraised values are established by the Appraisal Board of Review at 100% for estimated market value. A tax lien attaches to the property on January 1 of each year, to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on that property, whether or not the taxes are imposed in the year the lien attaches.

Taxes are due on October 1 immediately following the levy date and are delinquent after the following January 31st. Current tax collections for the year ended September 30, 2009, were 99.68% of the adjusted tax levy. Allocations of property tax levy by purpose for 2009 and the preceding year are as follows (amounts per \$100 assessed value):

	<u>2009</u>	<u>2008</u>
General Fund	\$.20913	\$.22682
Debt Service	.16599	.14830
Total	\$ <u>.37512</u>	\$ <u>.37512</u>

Property taxes are recorded as receivables and deferred revenues at the time the tax levy is billed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible within sixty days following the close of the fiscal year have not been recognized as revenue since amounts are not material to the combined financial statements.

In Texas, county-wide central appraisal districts are required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, take legal action. Under this legislation the City continues to set tax rates on City property. However, if the effective tax rate, including tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

C. Receivables

Receivables as of year end for the government’s individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Water and Wastewater	Total
Receivables:				
Taxes	\$ 37,863	\$ 24,755	\$0	\$62,618
Accounts	139,073	0	357,737	496,810
Net total receivables	<u>\$176,936</u>	<u>\$ 24,755</u>	<u>\$ 357,737</u>	<u>\$ 559,428</u>

D. Capital Assets

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

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 410,994	\$ 698,810	\$ (0)	\$ 1,109,804
Construction in progress	5,057,247	4,510,428	(1,093,453)	8,474,222
Total capital assets, not being depreciated	<u>5,468,241</u>	<u>\$5,209,238</u>	<u>\$ (1,093,453)</u>	<u>9,584,026</u>
Capital assets, being depreciated				
Buildings/Structures	13,469,782	75,838	(0)	13,545,620
Improvements	4,137,024	9,456	(0)	4,146,480
Vehicles/Machinery	4,114,650	373,769	(145,000)	4,343,419
Equipment	788,074	87,968	(0)	876,042
Infrastructure	9,879,883	385,187	(0)	10,265,070
Total capital assets being depreciated	<u>32,389,413</u>	<u>932,218</u>	<u>(145,000)</u>	<u>33,176,631</u>
Less accumulated depreciation for:				
Buildings/Structures	(2,940,124)	(670,754)	0	(3,610,878)
Improvements	(594,563)	(206,851)	0	(801,414)
Vehicles/Machinery	(2,392,152)	(406,552)	145,000	(2,653,704)
Equipment	(107,326)	(36,366)	0	(143,692)
Infrastructure	(2,856,282)	(455,594)	0	(3,311,876)
Total accumulated depreciation	<u>(8,890,447)</u>	<u>(1,776,117)</u>	<u>145,000</u>	<u>(10,521,564)</u>
Total capital assets, being depreciated, net	23,498,966	(843,899)	(0)	22,655,067
Governmental activities capital assets, net	<u>\$28,967,207</u>	<u>\$ 4,365,339</u>	<u>\$ (1,093,453)</u>	<u>\$32,239,093</u>
Water and Wastewater activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 2,020,100	\$2,826,171	\$ (0)	\$ 4,846,271
Total capital assets, not being depreciated	<u>2,020,100</u>	<u>2,826,171</u>	<u>(0)</u>	<u>4,846,271</u>
Capital assets, being depreciated				
Water/Sewer System	17,797,180	0	(0)	17,797,180
Vehicles/Equipment	459,561	262,298	(0)	721,859
Total capital assets being depreciated	<u>18,256,741</u>	<u>262,298</u>	<u>(0)</u>	<u>18,519,039</u>
Less accumulated depreciation for:				
Water/Sewer System	(7,495,925)	(615,043)	0	(8,110,968)
Vehicles/Equipment	(225,710)	(42,136)	0	(267,846)
Total accumulated depreciation	<u>(7,721,635)</u>	<u>(657,179)</u>	<u>0</u>	<u>(8,378,814)</u>
Total capital assets, being depreciated, net	10,535,106	(394,881)	(0)	10,140,225
Business-type activities capital assets, net	<u>\$ 12,555,206</u>	<u>\$ 2,431,290</u>	<u>\$ (0)</u>	<u>\$ 14,986,496</u>

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

Governmental activities:	
General government	\$ 103,594
Fire and EMS	183,635
Police	277,823
Library	28,506
Parks and recreation	633,622
Public works	<u>548,937</u>
Total depreciation expense – governmental activities	<u>\$ 1,776,117</u>
Business-type activities:	
Water and Sewer	<u>\$ 657,179</u>
Total depreciation expense – business-type activities	<u>\$ 657,179</u>

Construction commitments

The government has active construction projects as of September 30, 2009. The projects include street construction, new fire station, and ground storage tank construction. At year end the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Street construction	\$ 4,057,277	\$ 4,011,613
Fire Station	4,375,010	32,435
Roanoke Soccer complex	41,935	1,603,790
Marshall Creek waterlines – grant project	170,806	154,194
Elevated storage tank	<u>4,675,465</u>	<u>436,335</u>
Total	<u>\$ 13,320,493</u>	<u>\$ 6,238,367</u>

The commitments for the projects were funded primarily from bond proceeds. Additional funding for some of the projects was received from the REIDC and RECDC.

E. Interfund Receivables, Payables, and Transfers

A summary of advances for the year ended September 30, 2009 is as follows:

<u>Fund</u>	<u>Advances From</u>	<u>Advances to</u>
General Fund	\$ 157,189	\$ 64,000
Street Construction Fund	32,000	0
Facility Improvement fund	32,000	0
Non Major governmental funds	6,155	6,155
Water/Wastewater fund	26,674	157,189
Sanitation Fund	0	26,674
Total	<u>\$254,018</u>	<u>\$ 254,018</u>

The outstanding balances between funds result from the time lag between the dates that the reimbursable expenditures occurred. All advances are scheduled to be collected in the subsequent year.

Transfers between funds for the year ended September 30, 2009 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 444,346	\$ 526,074
Capital Projects Funds:		
Street Construction Fund	2,893,236	0
Facility Improvement Fund	1,075,357	332,100
Park Construction Fund	2,168,625	711,257
Debt Service Fund		4,862,761
Non Major governmental funds	212,436	144,346
Enterprises Funds:		
Water and Wastewater Fund	189,638	467,100
Sanitation Fund	60,000	0
Total	<u>\$ 7,043,638</u>	<u>\$ 7,043,638</u>

All transfers were routine budgeted transfers done in the course of normal City operations. Transfers are used to 1) move funds to the vehicle replacement fund for vehicle/machinery purchases, 2) move expenses related to the street department paid by the water and wastewater fund and 3) move bond proceeds to the appropriate capital project fund.

F. Leases

Capital Leases

The City has entered into various capital lease agreements to finance the acquisition of various vehicles and machinery at a historical cost of \$1,373,312, and equipment \$450,479. In FY 2009, the City financed the acquisition of an ambulance and a wastewater vacuum truck. The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2009, were as follows:

Year Ending September 30	<u>Governmental Activities</u>	<u>Water and Wastewater</u>
2010	\$ 219,943	\$ 28,756
2011	182,400	28,756
2012	178,163	28,756
2013	122,406	28,756
2014 – 2019	466,835	165,347
Total minimum lease payments	<u>1,169,747</u>	<u>280,371</u>
Less: amount representing interest	(213,709)	(54,803)
Present value of minimum lease payments	<u>\$ 956,038</u>	<u>\$ 225,568</u>

G. Long-term Debt

A summary of long-term debt transactions, including current portion, for the year September 30, 2009, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities</u>					
General obligation	\$ 2,535,000	\$ 0	\$ (470,000)	\$ 2,065,000	\$ 460,000
Certificates of obligation	21,736,583	0	(543,953)	21,192,630	725,095
Special Assessment bonds	2,500,000	0	(120,000)	2,380,000	125,000
Notes Payable	868,689	0	(105,771)	762,918	110,844
Capital Leases	1,015,076	138,261	(197,299)	956,038	169,125
Compensated absences	<u>263,765</u>	<u>0</u>	<u>(5,349)</u>	<u>258,416</u>	<u>148,186</u>
Governmental activity					
Long-term debt	<u>\$ 28,919,113</u>	<u>\$ 138,261</u>	<u>\$ (1,442,372)</u>	<u>\$ 27,615,002</u>	<u>\$ 1,738,250</u>
<u>Business-type activities</u>					
Certificates of obligation	\$ 7,068,417	\$ 0	\$ (286,047)	\$ 6,782,370	\$ 314,905
Capital Leases	18,834	225,568	(18,834)	225,568	18,841
Compensated absences	<u>17,599</u>	<u>1,631</u>	<u>(0)</u>	<u>19,230</u>	<u>15,157</u>
Business-type activity					
Long-term debt	<u>\$ 7,104,850</u>	<u>\$ 227,199</u>	<u>\$ (304,881)</u>	<u>\$ 7,027,168</u>	<u>\$ 348,903</u>

For the governmental activities, compensated absences are liquidated by the general fund. For the business-type activities, the water and sewer fund liquidate the compensated absences.

General Obligation Bonds

The general obligation refunding bonds and certificates of obligation have interest rates ranging from 2.00% to 4.8% maturing annually in varying amounts through 2027. Interest for these bonds is payable semi-annually. General obligation bonds have been issued for both governmental and business-type activities. They are backed by the full faith and credit of the City and are payable from property taxes and water/wastewater revenues.

Debt service requirements of the general obligation refunding bonds and certificates of obligation for the years subsequent to September 30, 2009 are as follows:

Fiscal Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2009-2010	1,310,095	740,836	2,050,931	314,905	295,178	610,083
2010-2011	1,386,368	699,981	2,086,349	328,632	281,878	610,510
2011-2012	1,436,755	654,936	2,091,691	338,245	267,740	605,985
2012-2013	1,481,056	607,215	2,088,271	353,944	253,018	606,962
2013-2014	1,547,477	556,593	2,104,070	372,523	237,440	609,963
2014-2015	1,361,615	502,875	1,864,490	408,385	220,855	629,240
2015-2016	1,425,916	463,864	1,889,780	424,084	202,556	626,640
2016-2017	1,481,298	422,588	1,903,886	443,702	183,349	627,051
2017-2018	1,546,485	381,384	1,927,869	463,515	164,113	627,628
2018-2019	1,600,786	338,125	1,938,911	479,214	143,910	623,124
2019-2020	1,671,544	292,816	1,964,360	503,456	122,899	626,355
2020-2021	1,747,450	245,349	1,992,799	532,550	100,282	632,832
2021-2022	1,817,415	195,553	2,012,968	282,585	76,278	358,863
2022-2023	1,896,039	143,818	2,039,857	293,961	64,835	358,796
2023-2024	1,194,241	89,619	1,283,860	305,759	52,884	358,643
2024-2025	1,246,826	57,105	1,303,931	318,174	40,021	358,195
2025-2026	1,014,833	23,302	1,038,135	330,167	26,580	356,747
2026-2027	<u>471,430</u>	<u>0</u>	<u>471,430</u>	<u>288,570</u>	<u>12,390</u>	<u>300,960</u>
		<u>\$6,415,959</u>	<u>\$32,053,588</u>	<u>\$6,782,371</u>	<u>\$2,746,206</u>	<u>\$9,528,577</u>
	<u>\$25,637,629</u>					

Special Assessment bonds

In September 2008, the City issued \$2,500,000 in special assessment debt to provide funds for improvements in the Briarwyck Public Improvement district. These bonds will be repaid from amounts levied against the property owners benefited by the improvements. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time that the debt service is due, the government must provide resources to cover the deficit until the assessments are received. The special assessment bonds have interest rates ranging from 4.00% to 4.8% maturing annually in varying amounts through 2023.

Debt service requirements of the special assessment bonds for the years subsequent to September 30, 2009 are as follows:

Fiscal Year	Principal	Interest	Total
2009-2010	\$ 125,000	\$ 110,908	\$ 235,908
2010-2011	130,000	105,083	235,083
2011-2012	140,000	99,025	239,025
2012-2013	140,000	92,501	232,501

2013-2014	150,000	85,977	235,977
2014-2015	155,000	78,987	233,987
2015-2016	165,000	71,764	236,764
2016-2017	170,000	64,075	234,075
2017-2018	180,000	56,153	236,153
2018-2019	185,000	47,765	232,765
2019-2020	195,000	39,144	234,144
2020-2021	205,000	30,057	235,057
2021-2022	215,000	20,504	235,504
2022-2023	<u>225,000</u>	<u>10,485</u>	<u>235,485</u>
	<u>\$ 2,380,000</u>	<u>\$ 912,428</u>	<u>\$ 3,292,428</u>

Notes Payable – Texas Leverage Fund

In fiscal year 2000, the City purchased 17.52 acres of land. In January 2000, the City borrowed \$1,089,527 from the State of Texas, Department of Commerce – Texas Leverage Fund to finance and repay the land acquisition. In August 2001, the City borrowed an additional \$345,000 from the Texas Leverage Fund for the same land acquisition.

This debt bears interest at a variable rate, which has fluctuated from 3.25% to 4.5% during fiscal year 2009. The primary source of repayment of this note is from the RCEDC. The following debt schedule of debt service requirements is based upon the variable interest rate at September 2009. The future total payments, as well as the principal and interest breakdown may change with the variable interest rate change in future years.

Debt service requirements of the notes payable for the years subsequent to September 30, 2009, are as follows:

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009-2010	\$ 110,844	\$ 23,154	\$ 133,998
2010-2011	114,502	19,496	133,998
2011-2012	118,278	15,720	133,998
2012-2013	122,181	11,817	133,998
2013-2014	126,211	7,787	133,998
2014-2015	121,859	3,624	125,483
2015-2016	30,680	1,141	31,821
2016-2017	<u>18,363</u>	<u>198</u>	<u>18,561</u>
	<u>\$ 762,918</u>	<u>\$ 82,937</u>	<u>\$ 845,855</u>

(5) RISK MANAGEMENT:

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The government is a participant in the Texas Municipal League Workers' Compensation Joint Insurance Fund (WC Fund) and the Texas Municipal League Joint Self-Insurance Fund (Property-Liability Fund), a public entity risk pool operated by the Texas Municipal League Board for the benefit of 2,512 individual governmental units located within Texas. The government pays an annual premium to the Funds for its workers' compensation and property and liability insurance coverage. The WC Fund and Property-Liability Fund are considered self-sustaining risk pools that provide coverage for its members for up to \$2,000,000 per insured event. There were no significant reductions in insurance coverage from the previous year. Settled claims for risks have not exceeded insurance coverage in the past three years.

(6) DEFERRED COMPENSATION PLAN:

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by Nationwide Retirement Solutions. All assets and income are held in trust for the exclusive benefit of participants and their beneficiaries, therefore it

is not reported in the financial statements of the City. All assets and liabilities have been removed from the balance sheet of the City.

The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

(7) PENSION PLAN:

Plan Description

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

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

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

	Plan Year 2008	Plan Year 2009
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% repeating, transfers	100% repeating, transfers
Annuity Increase (to retirees)	70% of CPI repeating	70% of CPI repeating

Contributions

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

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

Annual Pension Cost (APC)	\$ 594,464
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Contributions Made	(594,464)
Increase (decrease) in net pension obligation	0
Net Pension Obligation/(Asset), beginning of year	0
Net Pension Obligation/(Asset), end of year	\$ 0

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

Valuation Date	12/31/2006	12/31/2007	12/31/2008
Actuarial Cost Method	Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization period	25 years; open period	30 years; open period	29 years; open period
Asset Valuation Method	Amortized Cost	Amortized Cost	Amortized Cost
Actuarial Assumptions:			
Investment Rate of Return*	7.0%	7.0%	7.5%
Projected Salary Increases*	Varies by age and service	Varies by age and service	Varies by age and service
* Includes Inflation at Cost-of-Living Adjustments	3.00% N/A	3.00% 2.1%	3.00% 2.1%

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

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
12/31/2008	\$ 6,057,558	\$ 8,556,178	70.8%	\$ 2,498,620	\$ 5,721,973	43.7%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

(8) WATER PURCHASE AND WASTEWATER TREATMENT CONTRACTS:

The City has an agreement with the City of Ft. Worth under which the City purchases water when the City's sources are not sufficient. The terms of the agreement provide that the City will purchase an amount of treated potable water each year, at rates determined on a periodic basis. The rate is adjusted based on a water rate study, which is conducted about every three years, on behalf of the wholesale water customers with the City of Fort Worth.

The City has an agreement with the Trinity River Authority to provide wastewater treatment at the Denton Creek Regional Wastewater Treatment Facility. Rates are determined annually by the Trinity River Authority.

(9) PRIOR PERIOD ADJUSTMENT:

The REIDC reports a prior period adjustment of \$109,797. This adjustment reflects an increase in fund balance to correct for the recognition of a prior year due to primary government.

(10) LITIGATION:

The City is party to several legal actions arising in the ordinary course of business. In the opinion of the City's management, the City has adequate legal defense and/or insurance coverage regarding each of these actions and does not believe that they will materially affect the City's operations or financial position.

(11) ROANOKE ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION:

The REIDC is financed with a voter approved half-cent city sales tax, to aid, promote and further the economic development within the City.

A. Deposits and Investments

Deposits - State statutes require that all deposits be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits.

The REIDC's demand deposits and certificates of deposit were fully insured or collateralized at September 30, 2009, with collateral required by the state statutes. At year-end, the carrying amount of the REIDC's deposits, cash on hand and the bank balance was \$560,014.

Investments - Because the City provides investment services for the REIDC, the City adheres to its investment policy and all state statutes when investing available cash for the REIDC. The City's investments are categorized as either (1) insured or registered for which the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name, or (3) uninsured and unregistered for which the securities are held by the counterparty, or its trust department or agent, but not in the City's name.

(12) ROANOKE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION:

The RCEDC is financed with a voter approved half-cent city sales tax, used to fund various public facilities and infrastructure including but not limited to parks, cultural and civic facilities, sports facilities, and historic preservation and tourism facilities.

A. Deposits and Investments

Deposits - State statutes require that all deposits be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. The RCEDC's demand deposits and certificates of deposit were fully insured or collateralized at September 30, 2009, with collateral required by the state statutes. At year-end, the carrying amount of the RCEDC's deposits and the bank balance was \$479,076.

Investments - Because the City provides investment services for the RCEDC, the City adheres to its investment policy and all state statutes when investing available cash for the RCEDC. The City's investments are categorized as either (1) insured or registered for which the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name, or (3) uninsured and unregistered for which the securities are held by the counterparty, or its trust department or agent, but not in the City's name.

CITY OF ROANOKE, TEXAS
 Required Supplementary Information
 Texas Municipal Retirement System
 Schedule of Funding Progress
 (Unaudited)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) – (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
12/31/2006	\$ 4,159,908	\$ 4,986,283	83.4%	\$ 826,375	\$ 4,574,898	18.1%
12/31/2007	5,100,201	7,227,513	70.6%	2,127,312	5,013,929	42.4%
12/31/2008	6,057,558	8,556,178	70.8%	2,498,620	5,721,973	43.7%

See accompanying independent auditor's report.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

VEHICLE REPLACEMENT FUND – to account for funds to purchase replacement equipment and vehicles.

FIRE GRANTS AND DONATIONS FUND – to account for donations and grants to assist in the purchase of fire department equipment and related expenses.

COMPUTER REPLACEMENT FUND – to account for funds to purchase replacement computers and peripherals.

DONATIONS AND GRANTS FUND - to account for donations and grant funds for general governmental purposes.

POLICE GRANTS AND DONATIONS FUND - to account for donations and grant funds derived from police investigation of criminal activities.

POLICE SEIZURE FUND – to account for monies received due to the sale and/or seizure of assets from police investigations of criminal activities.

LIBRARY GRANTS AND DONATIONS FUND - to account for donation and grant funds received for library purposes.

PARK DONATIONS FUND - to account for donations received for park and recreation purposes.

HOTEL/MOTEL FUND - to account for funds received from the hotel/motel tax. This fund promotes tourism and historical preservation.

**CITY OF ROANOKE, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2009**

Special Revenue

ASSETS	<u>Vehicle Replacement</u>	<u>Fire Grants and Donations</u>	<u>Computer Replacement</u>	<u>Grants and Donations</u>
Cash and cash equivalents	\$133,081	\$57,339	\$21,105	\$7,175
Advance to other funds	\$0	\$0	\$0	\$6,155
 Total assets	 <u>\$133,081</u>	 <u>\$57,339</u>	 <u>\$21,105</u>	 <u>\$13,330</u>
 LIABILITIES				
Accounts payable	\$6,943	\$0	\$4,210	\$0
Due to other funds	\$0	\$0	\$0	\$0
Other accrued liabilities	0	0	0	0
 Total liabilities	 <u>6,943</u>	 <u>0</u>	 <u>4,210</u>	 <u>0</u>
 FUND BALANCES				
Unreserved-undesignated	126,138	57,339	16,895	13,330
 Total liabilities and fund balances	 <u>\$133,081</u>	 <u>\$57,339</u>	 <u>\$21,105</u>	 <u>\$13,330</u>

Special Revenue

Police Grants and Donations	Police Seizure	Library Grants and Donations	Park Donations	Hotel Motel	Total Nonmajor Governmental Funds
\$17,835	\$22,356	\$7,673	\$14,199	\$84,008	\$364,771
\$0	\$0	\$0	\$0	\$0	\$6,155
<u>\$17,835</u>	<u>\$22,356</u>	<u>\$7,673</u>	<u>\$14,199</u>	<u>\$84,008</u>	<u>\$370,926</u>
\$250	\$0	\$0	\$0	\$0	\$11,403
\$0	\$0	\$0	\$6,155	\$0	\$6,155
0	3,766	0	0	0	3,766
<u>250</u>	<u>3,766</u>	<u>0</u>	<u>6,155</u>	<u>0</u>	<u>21,324</u>
17,585	18,590	7,673	8,044	84,008	349,602
<u>\$17,835</u>	<u>\$22,356</u>	<u>\$7,673</u>	<u>\$14,199</u>	<u>\$84,008</u>	<u>\$370,926</u>

CITY OF ROANOKE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue			
	Vehicle Replacement	Fire Grants and Donations	Computer Replacement	Grants and Donations
Revenues:				
Hotel taxes	\$0	\$0	\$0	\$0
Grants	0	71,556	0	0
Donations	0	10,055	0	328
Miscellaneous	9,813	0	0	30,198
Investment income	0	0	0	0
Total revenues	<u>9,813</u>	<u>81,611</u>	<u>0</u>	<u>30,526</u>
Expenditures:				
Fire and EMS	58,734	31,260	3,836	0
Police	92,325	0	10,903	0
Library	0	0	0	0
Parks and Recreation	0	0	2,557	0
Public Works	8,000	0	1,279	0
Other	0	0	14,956	15,849
Total expenditures	<u>159,059</u>	<u>31,260</u>	<u>33,531</u>	<u>15,849</u>
Excess (deficiency) of revenues over expenditures	(149,246)	50,351	(33,531)	14,677
Other financing sources (uses):				
Operating transfers in	181,886	0	30,550	0
Operating transfers out	0	0	0	0
Total other financing sources (uses):	<u>181,886</u>	<u>0</u>	<u>30,550</u>	<u>0</u>
Net change in fund balances	32,640	50,351	(2,981)	14,677
Fund balances, beginning of year	<u>93,498</u>	<u>6,988</u>	<u>19,876</u>	<u>(1,347)</u>
Fund balances, end of year	<u><u>\$126,138</u></u>	<u><u>\$57,339</u></u>	<u><u>\$16,895</u></u>	<u><u>\$13,330</u></u>

Special Revenue

Police Grants and Donations	Police Seizure	Library Grants and Donations	Park Donations	Hotel Motel	Total Nonmajor Governmental Funds
\$0	\$0	\$0	\$0	\$112,947	\$112,947
0	0	7,100	0	0	78,656
3,351	0	0	344	0	14,078
0	1,678	0	0	0	41,689
0	38	0	0	0	38
<u>3,351</u>	<u>1,716</u>	<u>7,100</u>	<u>344</u>	<u>112,947</u>	<u>247,408</u>
0	0	0	0	0	93,830
1,709	850	0	0	0	105,787
0	0	1,506	0	0	1,506
0	0	0	5,986	0	8,543
0	0	0	0	0	9,279
0	0	0	0	18,250	49,055
<u>1,709</u>	<u>850</u>	<u>1,506</u>	<u>5,986</u>	<u>18,250</u>	<u>268,000</u>
1,642	866	5,594	(5,642)	94,697	(20,592)
0	0	0	0	0	212,436
0	0	0	0	(144,346)	(144,346)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(144,346)</u>	<u>68,090</u>
1,642	866	5,594	(5,642)	(49,649)	47,498
15,943	17,724	2,079	13,686	133,657	302,104
<u>\$17,585</u>	<u>\$18,590</u>	<u>\$7,673</u>	<u>\$8,044</u>	<u>\$84,008</u>	<u>\$349,602</u>

**CITY OF ROANOKE, TEXAS
 BUDETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive(Negative)
	Original	Final		
Revenues:				
Property taxes	\$1,900,865	\$1,900,865	\$2,221,764	\$320,899
Total Revenues	1,900,865	1,900,865	2,221,764	320,899
Expenditures:				
Principal retirement	1,013,953	1,013,953	1,013,953	0
Interest & fiscal charges	1,171,562	1,171,562	1,157,518	14,044
Total expenditures	2,185,515	2,185,515	2,171,471	14,044
Excess (deficiency) of revenues over expenditures	(284,650)	(284,650)	50,293	334,943
Other financing sources (uses):				
Transfers out	(4,862,761)	(4,862,761)	(4,862,761)	0
Total other financing sources (uses)	(4,862,761)	(4,862,761)	(4,862,761)	0
Net changes in fund balances	(5,147,411)	(5,147,411)	(4,812,468)	334,943
Fund balances, beginning of year	5,186,365	5,186,365	5,186,365	0
Prior year adjustment (see note 9)			0	0
Fund balances, end of year	\$38,954	\$38,954	\$373,897	\$334,943

DISCRETELY PRESENTED COMPONENT UNITS

ROANOKE ECONOMIC INDUSTRIAL DEVELOPMENT CORPORATION– to aid, promote and further economic development within the City.

ROANOKE ECONOMIC COMMUNITY DEVELOPMENT CORPORATION – to fund public projects to maintain or enhance the quality of life in the City.

CITY OF ROANOKE, TEXAS
BALANCE SHEET - ROANOKE ECONOMIC INDUSTRIAL DEVELOPMENT CORPORATION
SEPTEMBER 30, 2009

	<u>REIDC</u>
ASSETS:	
Cash and cash equivalents	\$560,014
Total assets	<u>\$560,014</u>
LIABILITIES:	
Accounts payable	\$0
Other liabilities	0
Total liabilities	<u>0</u>
 Fund balances:	
Unreserved, undesignated for, reported in:	
REIDC	560,014
Total fund balances	<u>560,014</u>
Total liabilities and fund balances	<u>\$560,014</u>

**CITY OF ROANOKE, TEXAS
RECONCILIATION OF THE STATEMENT OF NET ASSETS
OF ROANOKE ECONOMIC INDUSTRIAL DEVELOPMENT CORPORATION
TO THE BALANCE SHEET
AS OF SEPTEMBER 30, 2009**

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

Total fund balance per balance sheet	\$560,014
Net assets of governmental activities	<u><u>\$560,014</u></u>

**ROANOKE ECONOMIC INDUSTRIAL DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>REIDC</u>
Revenues:	
Sales and use taxes	1,935,974
Investment income	<u>1,071</u>
Total Revenues	<u>1,937,045</u>
Expenditures:	
Economic Development	<u>2,297,810</u>
Total expenditures	<u>2,297,810</u>
Excess (deficiency) of revenues over expenditures	<u>(360,765)</u>
Fund balances, beginning of year	<u>810,982</u>
Prior year adjustment (see note 9)	109,797
Fund balances, end of year	<u><u>\$560,014</u></u>

**CITY OF ROANOKE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
ROANOKE ECONOMIC INDUSTRIAL DEVELOPMENT CORPORATION
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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

Net change in fund balance - total governmental funds	(\$360,765)
Change in net assets of governmental activities	<u><u>(\$360,765)</u></u>

CITY OF ROANOKE, TEXAS
BALANCE SHEET - ROANOKE ECONOMIC COMMUNITY DEVELOPMENT CORPORATION
SEPTEMBER 30, 2009

	<u>RECDC</u>
ASSETS:	
Cash and cash equivalents	<u>\$479,076</u>
Total assets	<u><u>\$479,076</u></u>
LIABILITIES:	
Accounts payable	\$0
Due to other funds	15,000
Other liabilities	<u>0</u>
Total liabilities	<u><u>15,000</u></u>
Fund balances:	
Unreserved, undesignated for, reported in:	
RECDC	<u>464,076</u>
Total fund balances	<u>464,076</u>
Total liabilities and fund balances	<u><u>\$479,076</u></u>

**CITY OF ROANOKE, TEXAS
RECONCILIATION OF THE STATEMENT OF NET ASSETS
OF ROANOKE ECONOMIC COMMUNITY DEVELOPMENT CORPORATION
TO THE BALANCE SHEET
AS OF SEPTEMBER 30, 2009**

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

Total fund balance per balance sheet	\$464,076
Net assets of governmental activities	<u><u>\$464,076</u></u>

CITY OF ROANOKE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ROANOKE ECONOMIC COMMUNITY DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>RECDC</u>
Revenues:	
Sales and use taxes	1,935,974
Investment income	745
Total Revenues	<u>1,936,719</u>
Expenditures:	
Economic Development	<u>2,038,216</u>
Total expenditures	<u>2,038,216</u>
Excess (deficiency) of revenues over expenditures	<u>(101,497)</u>
Fund balances, beginning of year	<u>565,573</u>
Fund balances, end of year	<u><u>\$464,076</u></u>

**CITY OF ROANOKE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
ROANOKE ECONOMIC COMMUNITY DEVELOPMENT CORPORATION
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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

Net change in fund balance - total governmental funds	(\$101,497)
Change in net assets of governmental activities	<u><u>(\$101,497)</u></u>

CITY OF ROANOKE, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2009

Function and Activity	Land and Improvements to Land	Buildings/ Structures	Machinery, Vehicles & Equipment	Infrastructure	Total
General government	\$1,109,804	\$1,997,369	(\$38,604)	\$0	\$3,068,569
Fire and EMS:	0	442,700	2,920,831	0	3,363,531
Municipal Court	0	99,906	0	0	99,906
Police	0	2,051,530	1,332,934	0	3,384,464
Library	0	570,123	0	0	570,123
Parks and recreation	4,146,480	7,488,200	323,610	0	11,958,290
Public Works	0	885,897	690,585	10,265,070	11,841,552
Construction in progress	41,935	4,375,010		4,057,277	8,474,222
Total governmental funds capital assets	<u>\$5,298,219</u>	<u>\$17,910,735</u>	<u>\$5,229,356</u>	<u>\$14,322,347</u>	<u>\$42,760,657</u>

**CITY OF ROANOKE, TEXAS
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 COMPARATIVE SCHEDULES BY SOURCE
 SEPTEMBER 30, 2009**

Governmental funds capital assets:	<u>2009</u>
Land	\$1,109,804
Land Improvements	4,146,480
Buildings/Structures	13,545,620
Vehicles/Machinery	4,343,419
Equipment	876,042
Infrastructure	10,265,070
Construction in progress	<u>8,474,222</u>
Total general fixed assets	<u><u>\$42,760,657</u></u>
Investments in governmental funds capital assets by source:	
General fund	\$11,189,817
Special revenue fund	1,062,394
Capital projects funds	27,514,050
Developer contributions	1,925,988
Marshall Creek consolidation	823,160
Donations	<u>245,248</u>
Total governmental funds capital assets	<u><u>\$42,760,657</u></u>

**CITY OF ROANOKE, TEXAS
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 SEPTEMBER 30, 2009**

Function and Activity	Governmental Funds			Governmental Funds
	Capital Assets October 1, 2008	Additions	Deletions	Capital Assets September 30, 2009
General government	\$2,497,240	\$716,329	(\$145,000)	\$3,068,569
Fire and EMS	3,110,986	252,545		3,363,531
Municipal Court	99,906			99,906
Police	3,280,422	104,042		3,384,464
Library	570,123			570,123
Parks and recreation	11,810,451	147,839		11,958,290
Public works	11,431,279	410,273		11,841,552
Construction in progress	5,057,247	4,510,428	(1,093,453)	8,474,222
Total governmental funds capital assets	\$37,857,654	\$6,141,456	(\$1,238,453)	\$42,760,657



**CITY OF ROANOKE, TEXAS
NET ASSETS BY COMPONENT
ACCRUAL BASIS OF ACCOUNTING
LAST SIX FISCAL YEARS (UNAUDITED)**

	Fiscal Year		
	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities			
Invested in capital assets (net of related debt)	\$1,656,197	\$4,695,973	\$6,936,783
Restricted for:			
Capital Projects	3,641,716	1,349,330	2,901,913
Debt service	295,664	318,225	258,890
Special revenue	0	0	0
Unrestricted	<u>588,511</u>	<u>340,581</u>	<u>284,757</u>
Total governmental activities net assets	<u>\$6,182,088</u>	<u>\$6,704,109</u>	<u>\$10,382,343</u>
Business-type activities			
Invested in capital assets (net of related debt)	\$9,673,631	\$10,136,610	\$6,929,702
Restricted for:			
Capital Projects	641,938	0	114,393
Unrestricted	<u>256,009</u>	<u>(18,615)</u>	<u>(78,213)</u>
Total business-type activities net assets	<u>\$10,571,578</u>	<u>\$10,117,995</u>	<u>\$6,965,882</u>
Primary government activities			
Invested in capital assets (net of related debt)	\$11,329,828	\$14,832,583	\$13,866,485
Restricted for:			
Capital Projects	4,283,654	1,349,330	3,016,306
Debt service	295,664	318,225	258,890
Special revenue	0	0	0
Unrestricted	<u>844,520</u>	<u>321,966</u>	<u>206,544</u>
Total primary governmental activities net assets	<u><u>\$16,753,666</u></u>	<u><u>\$16,822,104</u></u>	<u><u>\$17,348,225</u></u>

Source: Comprehensive Annual Financial Report

Note: Accrual-basis financial information for the city as a whole is only available back to fiscal year 2004, the year GASB Statement 34 was implemented

TABLE 1

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$1,469,813	\$2,811,859	\$7,361,797
9,838,692	5,570,723	6,212,899
338,900	5,186,365	673,897
0	2,500,000	349,602
133,180	497,056	3,556,083
<u>\$11,780,585</u>	<u>\$16,566,003</u>	<u>\$18,154,278</u>
\$5,516,230	\$5,467,955	\$7,978,558
912,705	2,727,722	493,436
(104,897)	523,962	(361,379)
<u>\$6,324,038</u>	<u>\$8,719,639</u>	<u>\$8,110,615</u>
\$6,986,043	\$8,279,814	\$15,340,355
10,751,397	8,298,445	6,706,335
338,900	5,186,365	673,897
0	2,500,000	349,602
28,283	1,021,018	3,194,704
<u>\$18,104,623</u>	<u>\$25,285,642</u>	<u>\$26,264,893</u>

**CITY OF ROANOKE, TEXAS
CHANGES IN NET ASSETS
ACCRUAL BASIS OF ACCOUNTING
LAST SIX FISCAL YEARS (UNAUDITED)**

	Fiscal Year		
	2004	2005	2006
Expenses			
Governmental activities			
General government	\$1,234,892	\$1,206,609	\$1,440,371
Fire and EMS	1,489,550	1,700,279	1,837,520
Municipal Court	162,584	159,951	176,696
Police	2,142,558	2,282,861	2,675,891
Library	269,727	333,022	332,840
Parks and recreation	431,446	797,905	1,955,342
Public works	273,006	627,854	839,798
Interest on long-term debt	548,801	554,832	788,801
Total governmental activities expenses	<u>6,552,564</u>	<u>7,663,313</u>	<u>10,047,259</u>
Business-type activities			
Water/Wastewater	2,287,498	2,610,310	3,345,463
Sanitation	0	0	0
Total business-type activities expenses	<u>2,287,498</u>	<u>2,610,310</u>	<u>3,345,463</u>
Total primary government activities expenses	<u>\$8,840,062</u>	<u>\$10,273,623</u>	<u>\$13,392,722</u>
Program Revenues			
Governmental activities			
Charges for Services:			
General Government	\$847,242	\$604,239	\$453,054
Fire and EMS	216,046	230,464	254,156
Municipal Court	567,208	482,864	560,008
Police	0	0	0
Library	7,499	9,141	8,684
Parks and recreation	42,514	61,146	344,347
Public works	0	0	0
Operating grants and contributions	150,666	133,716	146,760
Capital grants and contributions	854,557	1,504,165	1,563,291
Total governmental activities program revenues	<u>2,685,732</u>	<u>3,025,735</u>	<u>3,330,300</u>
Business-type activities			
Charges for Services:			
Water/Wastewater	1,670,124	2,215,105	2,498,590
Capital grants and contributions	0	660,000	500,000
Total business-type activities program revenues	<u>1,670,124</u>	<u>2,875,105</u>	<u>2,998,590</u>
Total primary governmental program revenues	<u>\$4,355,856</u>	<u>\$5,900,840</u>	<u>\$6,328,890</u>
Net (Expenses) Revenue			
Governmental activities	(\$3,866,832)	(\$4,637,578)	(\$6,716,959)
Business-type activities	(617,374)	264,795	(346,873)
Total primary government net expense	<u>(\$4,484,206)</u>	<u>(\$4,372,783)</u>	<u>(\$7,063,832)</u>
General Revenues and Other Changes in Net Assets			
Governmental activities			
Taxes			
Property taxes	\$2,351,327	\$2,802,015	\$3,046,689
Sales and use taxes	1,613,070	2,406,350	3,390,989
Franchise taxes	417,347	541,246	686,930
Other taxes	6,863	8,676	13,716
Investment income	48,550	109,881	252,601
Extraordinary item - Marshall Creek	0	0	0
Transfers	306,000	725,958	(7,108)
Total governmental activities	<u>4,743,157</u>	<u>6,594,126</u>	<u>7,383,817</u>
Business-type activities			
Investment income	7,903	7,580	9,942
Extraordinary item - Marshall Creek	0	0	0
Transfers	(306,000)	(725,958)	7,108
Total business-type activities	<u>(298,097)</u>	<u>(718,378)</u>	<u>17,050</u>
Total primary government	<u>\$4,445,060</u>	<u>\$5,875,748</u>	<u>\$7,400,867</u>
Change in Net Assets			
Governmental activities	\$876,325	\$1,956,548	\$666,858
Business-type activities	(915,471)	(453,583)	(329,823)
Total primary government	<u>(\$39,146)</u>	<u>\$1,502,965</u>	<u>\$337,035</u>

Source: Comprehensive Annual Financial Report

TABLE 2

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$1,508,488	\$2,034,964	\$1,942,077
1,989,849	2,089,902	2,229,949
215,138	204,070	209,265
3,113,820	3,475,674	3,660,495
370,849	457,318	501,804
2,122,776	2,376,314	2,589,002
885,933	952,068	1,237,478
1,109,311	862,460	1,321,133
<u>11,316,164</u>	<u>12,452,770</u>	<u>13,691,203</u>
3,422,882	3,804,238	4,084,247
31,920	32,569	40,834
<u>3,454,802</u>	<u>3,836,807</u>	<u>4,125,081</u>
<u>\$14,770,966</u>	<u>\$16,289,577</u>	<u>\$17,816,284</u>
\$589,135	\$1,033,773	\$886,871
301,099	327,242	341,654
383,431	435,355	392,807
11,490	5,948	38,541
8,680	9,237	8,304
502,044	600,562	694,579
0	0	0
147,663	87,799	373,390
2,458,161	4,564,206	2,157,763
<u>4,401,703</u>	<u>7,064,122</u>	<u>4,893,909</u>
2,204,357	3,293,431	2,818,752
340,000	2,597,804	900,000
<u>2,544,357</u>	<u>5,891,235</u>	<u>3,718,752</u>
<u>\$6,946,060</u>	<u>\$12,955,357</u>	<u>\$8,612,661</u>
(\$6,914,461)	(\$5,388,648)	(\$8,797,294)
(910,445)	2,054,429	(406,329)
<u>(\$7,824,906)</u>	<u>(\$3,334,219)</u>	<u>(\$9,203,623)</u>
\$3,517,747	\$4,765,642	\$5,023,619
3,637,391	4,377,361	3,984,894
753,838	889,660	1,050,036
15,096	16,957	17,514
606,707	314,143	92,044
0	11,626	0
(218,076)	(201,323)	217,462
<u>8,312,703</u>	<u>10,174,066</u>	<u>10,385,569</u>
48,025	88,202	14,767
0	51,647	0
218,076	201,323	(217,462)
266,101	341,172	(202,695)
<u>\$8,578,804</u>	<u>\$10,515,238</u>	<u>\$10,182,874</u>
\$1,398,242	\$4,785,418	\$1,588,275
(644,344)	2,395,601	(609,024)
<u>\$753,898</u>	<u>\$7,181,019</u>	<u>\$979,251</u>

**CITY OF ROANOKE, TEXAS
 FUND BALANCES, GOVERNMENTAL FUNDS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year				
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund					
Reserved for:					
Prepays	\$0	\$0	\$0	\$0	\$0
Unreserved	<u>941,807</u>	<u>1,323,870</u>	<u>1,365,896</u>	<u>616,480</u>	<u>509,709</u>
Total general fund	<u>\$941,807</u>	<u>\$1,323,870</u>	<u>\$1,365,896</u>	<u>\$616,480</u>	<u>\$509,709</u>
All Other Governmental Funds					
Reserved for:					
Debt service	\$43,641	\$57,611	\$154,059	\$241,467	\$295,664
Capital projects	1,170,000	1,157,039	9,622	4,797,798	3,641,716
Unreserved, reported in:					
Special revenue funds	<u>0</u>	<u>4,864</u>	<u>65,435</u>	<u>91,363</u>	<u>151,856</u>
Total all other governmental funds	<u>\$1,213,641</u>	<u>\$1,219,514</u>	<u>\$229,116</u>	<u>\$5,130,628</u>	<u>\$4,089,236</u>

Source: Comprehensive Annual Financial Report

TABLE 3

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$39,830	\$53,990	\$24,165	\$91,214	\$80,847
764,836	758,475	856,317	3,006,162	4,422,246
<u>\$804,666</u>	<u>\$812,465</u>	<u>\$880,482</u>	<u>\$3,097,376</u>	<u>\$4,503,093</u>
\$318,225	\$258,890	\$338,900	\$5,186,365	\$373,897
1,349,300	2,901,913	9,838,692	5,570,723	6,212,899
382,145	352,159	303,913	2,802,104	2,578,959
<u>\$2,049,670</u>	<u>\$3,512,962</u>	<u>\$10,481,505</u>	<u>\$13,559,192</u>	<u>\$9,165,755</u>

CITY OF ROANOKE, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS (UNAUDITED)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
REVENUES				
Property Taxes	\$599,176	\$1,629,568	\$1,471,606	\$2,182,418
Sales and Use taxes	494,581	828,398	1,149,883	1,124,225
Franchise taxes	158,693	217,481	286,771	368,629
Licenses and permits	588,110	576,233	388,676	284,866
Liquor taxes	5,656	5,039	4,963	4,673
Charges for services	0	14,173	122,789	390,992
Grants and awards	172,141	212,198	182,518	371,707
Fines and forfeitures	277,873	267,587	366,422	423,783
Investment income	31,383	43,173	11,301	42,855
Donations	0	49,783	39,699	6,110
Miscellaneous	252,602	198,882	41,601	16,161
Total revenues	<u>2,580,215</u>	<u>4,042,515</u>	<u>4,066,229</u>	<u>5,216,419</u>
EXPENDITURES				
Current				
General government	2,594,499	3,231,713	3,342,454	762,474
Fire and EMS	0	0	0	1,162,314
Municipal Court	0	0	0	96,074
Police	0	0	0	1,669,100
Library	0	0	0	262,832
Parks and recreation	0	0	0	292,713
Public works	0	0	0	0
Debt Service:				
Principal	1,302,900	403,195	404,429	370,000
Interest & fiscal charges	0	0	0	355,846
Capital Outlay	30,000	42,961	1,385,977	3,270,504
Total expenditures	<u>3,927,399</u>	<u>3,677,869</u>	<u>5,132,860</u>	<u>8,241,857</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,347,184)</u>	<u>364,646</u>	<u>(1,066,631)</u>	<u>(3,025,438)</u>
OTHER FINANCING SOURCES (USES)				
Debt issuance	1,208,604	0	0	5,000,000
Capital leases	0	0	0	0
Transfers in	1,167,514	0	118,259	308,713
Transfers out	0	0	0	(74,225)
Total other financing sources (uses)	<u>2,376,118</u>	<u>0</u>	<u>118,259</u>	<u>4,608,269</u>
NET CHANGE IN FUND BALANCES	<u>\$1,028,934</u>	<u>\$364,646</u>	<u>(\$948,372)</u>	<u>\$1,582,831</u>
Debt service as a percentage of noncapital expenditures	50%	12%	12%	17%

Source: Comprehensive Annual Financial Report

TABLE 4

Fiscal Year					
<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$2,351,327	\$2,802,015	\$3,004,001	\$3,517,747	\$4,765,642	\$5,023,619
1,613,070	2,406,350	3,390,989	3,637,391	4,377,361	3,984,894
417,347	541,246	686,930	753,838	889,660	1,050,036
811,648	407,412	213,790	309,548	634,119	541,148
6,863	8,676	13,716	15,096	16,957	17,514
254,586	449,840	789,853	1,029,202	1,181,591	1,341,420
860,001	1,608,059	1,643,942	2,582,215	2,590,306	2,307,749
574,707	492,004	483,084	405,399	439,558	396,251
48,550	109,881	252,601	606,707	314,143	92,044
140,626	22,694	56,717	23,609	44,831	18,343
44,164	45,725	58,008	65,018	168,475	83,937
<u>7,122,889</u>	<u>8,893,902</u>	<u>10,593,631</u>	<u>12,945,770</u>	<u>15,422,643</u>	<u>14,856,955</u>
983,870	1,196,835	1,429,996	1,483,363	1,973,047	1,862,841
1,340,872	1,588,412	1,709,749	2,037,805	1,970,493	2,360,887
162,143	260,066	176,250	215,485	203,932	207,898
2,047,487	2,226,933	2,741,237	3,233,535	3,308,121	3,591,594
275,012	298,327	310,450	340,152	425,645	477,915
423,669	704,393	1,642,424	1,644,069	1,786,183	2,002,791
71,389	335,772	675,264	611,407	577,679	730,965
365,000	475,000	665,000	872,094	945,731	1,133,953
548,801	554,832	788,801	812,017	863,763	1,321,133
<u>2,003,155</u>	<u>3,723,899</u>	<u>2,321,261</u>	<u>2,256,061</u>	<u>6,541,874</u>	<u>4,510,421</u>
<u>8,221,398</u>	<u>11,364,469</u>	<u>12,460,432</u>	<u>13,505,988</u>	<u>18,596,468</u>	<u>18,200,398</u>
<u>(1,098,509)</u>	<u>(2,470,567)</u>	<u>(1,866,801)</u>	<u>(560,218)</u>	<u>(3,173,825)</u>	<u>(3,343,443)</u>
0	0	4,020,000	7,796,557	7,224,559	0
0	0	(675,000)	18,297	543,864	138,261
467,070	1,335,069	628,625	711,614	1,607,152	6,794,000
(77,206)	(609,111)	(635,733)	(929,690)	(1,808,475)	(6,576,538)
<u>389,864</u>	<u>725,958</u>	<u>3,337,892</u>	<u>7,596,778</u>	<u>7,567,100</u>	<u>355,723</u>
<u>(\$708,645)</u>	<u>(\$1,744,609)</u>	<u>\$1,471,091</u>	<u>\$7,036,560</u>	<u>\$4,393,275</u>	<u>(\$2,987,720)</u>
17%	16%	17%	18%	18%	22%

**CITY OF ROANOKE, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 5

Fiscal Year	Real Property		Land and Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property						
2000	\$ 36,579,621	\$ 50,231,843	\$ 97,046,172	\$ (41,548,480)	\$ 142,309,156	0.37512	\$ 142,309,156	100%
2001	53,561,352	85,781,550	151,341,116	(62,769,548)	227,914,470	0.37512	227,914,470	100%
2002	66,336,026	94,148,227	206,356,917	(89,714,581)	277,156,589	0.37512	277,156,589	100%
2003	86,051,389	154,851,381	317,128,819	(136,941,543)	421,090,046	0.37512	421,090,046	100%
2004	92,497,129	181,750,485	388,448,530	(161,800,322)	500,895,822	0.37512	500,895,822	100%
2005	92,371,162	203,104,834	446,217,581	(206,554,723)	535,138,854	0.37512	535,138,854	100%
2006	93,243,843	181,904,923	664,960,272	(272,951,908)	667,157,130	0.37512	667,157,130	100%
2007	97,263,339	270,941,149	678,781,038	(289,178,041)	757,807,485	0.37512	757,807,485	100%
2008	96,167,599	290,328,505	1,047,021,449	(413,631,676)	1,019,885,877	0.37512	1,019,885,877	100%
2009	116,190,888	265,498,721	1,095,474,045	(419,023,085)	1,058,140,569	0.37512	1,058,140,569	100%

Source: Denton County Appraisal District and Tarrant Appraisal District

Note: Beginning in FY 2009 , a portion of Denton County fell under Tarrant County.
 Property is reassessed annually. The county assesses property at 100% of it's market value
 Tax rates are per \$100 of assessed value

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

TABLE 6

Fiscal Year	City Direct Rates			Overlapping Rates		
	Operating/ General	Debt Service	Total Direct	Northwest Independent School District	Denton County	Tarrant County
2000	\$0.28569	\$0.08943	\$0.37512	\$1.70472	\$0.23504	n/a
2001	0.28025	0.09487	0.37512	1.69136	0.23193	n/a
2002	0.26406	0.11106	0.37512	1.83481	0.25193	n/a
2003	0.26406	0.11106	0.37512	1.83481	0.24897	n/a
2004	0.26994	0.10518	0.37512	1.83481	0.24717	n/a
2005	0.26994	0.10518	0.37512	1.81930	0.25480	n/a
2006	0.25239	0.12273	0.37512	1.81930	0.24648	n/a
2007	0.18872	0.18640	0.37512	1.66500	0.23192	n/a
2008	0.22682	0.14830	0.37512	1.33505	0.23589	n/a
2009	0.20913	0.16599	0.37512	1.33500	0.23577	0.26400

Source: Denton County Appraisal District and Tarrant Appraisal District
City of Roanoke ordinances

Note: Beginning in FY 2009 , a portion of Denton County fell under Tarrant County.

**CITY OF ROANOKE, TEXAS
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**

TABLE 7

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Citicorp Technology Inc	\$154,440,794	1	14.60%	\$0		0.00%
Cardinal Health	103,175,495	2	9.75%	0		0.00%
Amerisource Bergen	81,844,814	3	7.73%	0		0.00%
Bell Helicopter Textron	66,638,672	4	6.30%	0		0.00%
Alliance No 3 Building Partners LP	46,467,675	5	4.39%	0		0.00%
W W Grainger Inc	39,686,804	6	3.75%	0		0.00%
Mid America Apt LP	28,182,080	7	2.66%	0		0.00%
Bridgestone/Firestone	26,062,759	8	2.46%	0		0.00%
Behr Process Corp	24,903,359	9	2.35%	0		0.00%
Alliance No 4 Building Partners LP	21,972,734	10	2.08%	0		0.00%
Alliance Gateway Dist LLC	0		0.00%	22,501,307	1	22.91%
Roanoke I Ltd P/S	0		0.00%	13,598,802	2	13.84%
Bearings Inc.	0		0.00%	5,659,860	3	5.76%
Oscar Renda Contracting	0		0.00%	7,130,000	4	7.26%
Southwestern Bell Telephone Co.	0		0.00%	5,810,310	5	5.92%
300 Gateway Parkway Ltd P/S	0		0.00%	5,620,897	6	5.72%
Lattimore Materials Co.	0		0.00%	1,861,326	7	1.89%
Texas Lehigh Cement Co.	0		0.00%	1,641,216	8	1.67%
Texas Utilities Electric Co.	0		0.00%	1,457,080	9	1.48%
Centex Homes	0		0.00%	1,406,343	10	1.43%
Totals	\$593,375,186		56.08%	\$66,687,141		67.89%

Source: Denton County Tax Assessor and Collector

Note: Taxpayers are assessed on January 1, 2008 (2008 tax year) for the 2009 fiscal year

**CITY OF ROANOKE, TEXAS
AD VALOREM TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 8

Fiscal Period	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections	
		Amount	Percentage of levy		Amount	Percentage of levy
2000	\$ 533,830	\$ 528,545	99.01%	\$ 66,744	\$ 595,289	111.5%
2001	854,953	846,489	99.01%	412,171	1,258,660	147.2%
2002	1,039,557	1,029,266	99.01%	188,247	1,217,513	117.1%
2003	1,833,799	1,815,644	99.01%	362,131	2,177,775	118.8%
2004	2,317,569	2,289,063	98.77%	37,098	2,326,161	100.4%
2005	2,752,570	2,734,954	99.36%	49,444	2,784,398	101.2%
2006	2,982,819	2,970,888	99.60%	15,111	2,985,999	100.1%
2007	3,530,095	3,477,088	98.49%	26,998	3,504,086	99.3%
2008	4,382,386	4,374,936	99.83%	325,010	4,699,946	107.2%
2009	5,023,105	5,017,921	0.00%	27,979	5,045,900	100.5%

Source: Denton County Tax Assessor and Collector

**CITY OF ROANOKE, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)**

Table 9

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Obligation	Special Assessment Certificates of Obligation	Other Obligations	Water and Sewer Revenue Bonds	Other Obligations				
2000	\$0	\$ 3,842,942	\$0	\$ 1,819,203	\$0	\$ 131,513	\$ 5,793,658	9.22%	\$ 2,033	
2001	0	3,109,997	0	1,544,755	0	96,513	4,751,265	6.95%	1,533	
2002	0	2,901,753	0	1,359,817	0	79,012	4,340,582	5.79%	1,277	
2003	3,285,000	7,028,767	0	1,749,108	3,251,233 (b)	57,947	15,372,055	14.99%	3,306	
2004	3,070,000	7,007,203	0	1,606,612	3,122,797 (b)	129,171	14,935,783	12.54%	2,766	
2005	2,955,000	10,795,658	0	1,761,521	1,654,342 (b)	147,438	17,313,959	14.41%	3,177	
2006	3,325,000	17,138,543	0	1,891,161	3,591,457 (b)	56,625	26,002,786	20.87%	4,602	
2007	2,955,000	17,537,755	0	1,641,598	6,687,245 (b)	37,750	28,859,348	22.56%	4,976	
2008	2,535,000	21,736,583	2,500,000	1,883,765	7,068,417 (b)	18,834	35,742,599	26.14%	5,765	
2009	2,065,000	21,192,630	2,380,000	1,718,956	6,782,370 (b)	225,568	34,364,524	22.42%	4,945	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(a) See Table 14 for personal income and population data
(b) revenue supported portion of certificates of obligation

**CITY OF ROANOKE, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 10

Fiscal Year	General Obligation Bonds	Certificates of Obligation (a)	Total	Percentage of Actual Taxable Value of Property (b)	Per Capita (c)
2000	\$0	\$3,842,942	\$3,842,942	2.70%	\$1,348
2001	0	3,109,997	3,109,997	1.36%	1,003
2002	0	2,901,753	2,901,753	1.05%	853
2003	3,285,000	7,028,767	10,313,767	2.45%	2,218
2004	3,070,000	7,007,203	10,077,203	2.01%	1,866
2005	2,955,000	10,795,658	13,750,658	2.57%	2,523
2006	3,325,000	17,138,543	20,463,543	3.07%	3,622
2007	2,955,000	17,537,755	20,492,755	2.70%	3,533
2008	2,535,000	21,736,583	24,271,583	2.38%	3,915
2009	2,065,000	21,192,630	23,257,630	2.20%	3,346

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

(a) Includes only tax supported indebtedness

(b) See Table 5 for property value data

(c) See Table 14 for population data

**CITY OF ROANOKE, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2009 (UNAUDITED)**

TABLE 12

Governmental Unit	Gross Bonded Debt	Estimated Percentage Applicable (a)	Roanoke Share of Overlapping Debt
Debt repaid with property taxes			
Denton County	\$270,060,733	2.08%	\$5,617,263
Tarrant County	322,210,000	0.88%	2,835,448
Northwest Independent School District	514,640,958	13.26%	68,241,391
Subtotal, overlapping debt	1,106,911,691		76,694,102
City of Roanoke (direct debt)	23,257,630	100.00%	23,257,630
Total direct and overlapping debt			\$99,951,732

Source: Assessed value data used to estimate applicable percentages provided by Denton County Appraisal District and Tarrant Appraisal District. Debt outstanding data provided by each governmental unit.

(a) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

**CITY OF ROANOKE, TEXAS
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS (UNAUDITED)**

Table 13

<u>Water and Sewer Revenue Bonds</u>					
Fiscal Year	Total Revenues (a)	Less: Operating Expenses (b)	Net Available Revenue	Annual Requirement (c)	Times Coverage
2000	n/a	n/a	n/a	\$0	\$0.00
2001	n/a	n/a	n/a	0	0.00
2002	n/a	n/a	n/a	0	0.00
2003	1,734,475	1,610,640	123,835	268,351 (d)	0.46
2004	1,820,124	1,737,710	82,414	272,425 (d)	0.30
2005	2,972,077	2,102,677	869,400	267,930 (d)	3.24
2006	3,272,919	2,836,748	436,171	267,221 (d)	1.63
2007	2,799,458	2,650,785	148,673	325,236 (d)	0.46
2008	6,217,407	2,881,124	3,336,283	552,169 (d)	6.04
2009	4,061,963	3,130,651	931,312	590,970 (d)	1.58

Note: (a) Includes operating and non-operating revenues
 (b) Includes operating expenses minus depreciation
 (c) Includes Principal and Interest
 (d) Includes Certificates of obligation - revenue supported portion

**CITY OF ROANOKE, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 14

<u>Fiscal Year</u>	<u>Estimated Population (a)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (b)</u>	<u>Median Age (b)</u>	<u>Median Household Income (b)</u>	<u>School Enrollment (c)</u>	<u>Unemployment Rate (d)</u>
2000	2,850	\$ 62,845,350	\$ 22,051	30.6	\$ 48,107	242	2.0%
2001	3,100	68,358,100	22,051	30.6	48,107	264	3.4%
2002	3,400	74,973,400	22,051	30.6	48,107	372	4.8%
2003	4,650	102,537,150	22,051	30.6	48,107	357	5.0%
2004	5,400	119,075,400	22,051	30.6	48,107	406	3.6%
2005	5,450	120,177,950	22,051	30.6	48,107	465	4.2%
2006	5,650	124,588,150	22,051	30.6	48,107	446	3.7%
2007	5,800	127,895,800	22,051	30.6	48,107	497	4.0%
2008	6,200	136,716,200	22,051	30.6	48,107	570	4.8%
2009	6,950	153,254,450	22,051	30.6	48,107	660	7.7%

Sources: (a) U.S. Census Bureau (1990 population used for 1996-1998, 2000 population) and City of Roanoke.

(b) U.S. Census Bureau (Compiled every ten years)

(c) Northwest Independent School District

(d) Texas Workforce Commission, Denton County

Note: Personal income is calculated by multiplying estimated population by per capita personal income

**CITY OF ROANOKE, TEXAS
 PRINCIPAL EMPLOYERS
 CURRENT YEAR (UNAUDITED)**

TABLE 15

2009

Employer	Product or Service	Employees	Rank
General Motors Corp.	Parts distribution	460	1
WW Grainger	Parts distribution	450	2
Walmart	Retail	405	3
Home Depot	Retail and Distribution	400	4
Randalls/Tom Thumb	Grocery distribution	360	5
Amerisource Bergens	Pharmaceutical distribution	250	6
Behr Processing	Paint manufacturer	250	7
Applied Industrial Tech Inc.	Aviation bearing distribution	230	8
Bell Helicopter	Vertical lift aviation manufacturer	225	9
Ryder Logistics	Parts distribution	210	10
	Totals	<u>3,240</u>	

Note: Nine years ago information and current total employment are not available.



Roanoke

Rising Star of the Metroplex

CITY OF ROANOKE, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (UNAUDITED)

<u>Function/Program</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Administration	4.0	4.0	5.0	5.0
Visitor Center and Museum	0.0	0.0	0.0	0.0
Building Inspection	3.0	2.0	2.0	2.0
Fire & EMS	11.0	12.0	15.0	15.0
Municipal Court	1.0	1.0	1.0	2.0
Streets	0.0	0.0	0.0	0.0
Police	18.0	21.0	23.0	26.0
Library	3.0	3.0	3.0	4.0
Parks and Recreation	1.0	2.0	3.0	3.0
Water/wastewater	8.0	9.0	10.0	10.0
Total	<u>49.0</u>	<u>54.0</u>	<u>62.0</u>	<u>67.0</u>

Source: City Payroll records and budget book

TABLE 16

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
6.0	8.0	9.0	10.0	9.0	9.5
0.0	0.0	0.0	0.0	2.5	2.5
2.0	3.0	4.0	4.0	4.0	4.0
16.0	17.0	19.0	19.0	19.0	19.0
2.0	2.0	2.0	3.0	3.0	3.0
0.0	4.0	4.0	4.0	4.0	5.0
26.0	30.0	35.0	36.0	38.0	38.0
4.0	5.0	5.5	6.0	7.0	7.5
5.0	9.0	20.0	22.0	24.0	24.5
12.0	8.0	8.0	9.0	9.0	10.0
<u>73.0</u>	<u>86.0</u>	<u>106.5</u>	<u>113.0</u>	<u>119.5</u>	<u>123.0</u>

CITY OF ROANOKE, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST SEVEN FISCAL YEARS (UNAUDITED)

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Police			
Number of police personnel	26	26	30
Number of citations	7,211	7,826	6,608
Fire			
Number of fire personnel	15	16	17
Number of fire suppression runs	280	293	379
Number of EMS runs	522	573	552
Development			
Construction permits issued (a)	71	117	90
Estimated valuation	\$ 32,738,134	\$ 98,589,889	\$ 33,501,116
Public Works			
Streets paved (miles)	12.00	12.50	12.50
Parks and Recreation			
Number of acres maintained	14	42	42
Public parks	3	6	6
Library			
Number of volumes (b)	30,870	33,738	33,540
Annual circulation	40,570	57,815	54,301
Water and wastewater			
Number of water customers	1,295	1,318	1,359
Daily average consumption (million gallons)	1.20	1.09	0.91
Storage capacity (gallons)	700,000	625,000	625,000

Source: City Departments

(a) includes residential, commercial and miscellaneous permits

(b) includes books and media

Operating indicators prior to FY2003 are not available.

TABLE 17

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
35	36	38	38
6,323	6,528	6,995	6,432
19	19	19	19
388	493	492	572
825	759	686	674
72	47	195	189
\$ 15,297,198	\$ 18,700,608	\$ 37,605,599	\$ 30,036,191
12.50	12.50	18.68	18.68
42	42	42	42
6	6	6	6
36,942	40,728	44,801	45,140
55,745	69,248	64,335	54,830
1,356	1,381	1,651	1,749
1.17	0.94	1.13	1.15
2,400,000	2,400,000	2,400,000	2,400,000

CITY OF ROANOKE, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (UNAUDITED)

<u>Function/Program</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Police stations	1	1	1
Fire stations	1	1	1
Public Works			
Streets paved (miles)	12.00	12.00	12.00
Streets graded (miles)	0.50	0.50	0.50
Streetlights	143	143	143
Parks and Recreation			
Park Acreage	14	14	14
Public parks	2	3	4
Community center	1	1	1
Recreation center	0	0	0
Public swimming pools	0	0	1
Baseball fields	0	0	0
Soccer fields	0	0	1
Tennis courts	0	0	0
Skatepark	0	0	0
Splashparks	0	0	0
Library	1	1	1
Water and Wastewater			
Water lines (miles)	8.40	8.40	8.40
Fire Hydrants	207	207	207
Stormsewer (miles)	0.25	0.25	0.25
Sanitary sewer (miles)	8.40	8.40	8.40

Source: City Departments

TABLE 18

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
1	1	1	1	1	1	1
1	1	1	1	1	1	1
12.00	12.50	12.50	12.50	12.50	18.68	18.68
0.50	0.50	0.50	0.50	0.50	0.50	0.50
143	163	163	163	163	211	211
14	42	42	42	42	42	42
4	5	6	6	6	6	6
1	1	1	1	1	1	1
0	0	0	1	1	1	1
1	1	1	1	1	1	1
0	4	4	4	4	4	4
1	1	1	1	1	1	1
0	0	2	2	2	2	2
0	0	0	0	1	1	1
0	0	0	0	1	2	2
1	1	1	1	1	1	1
8.40	16.50	16.50	16.50	16.50	22.10	22.10
207	265	265	265	265	282	282
0.25	0.25	0.25	0.25	0.25	0.75	0.75
8.40	12.75	12.75	12.75	12.75	17.25	17.25

**Haynes and Associates, P.C.
Certified Public Accountants
405 North Oak Street
Roanoke, Texas 76262
817-491-1300**

Auditor's Report on Compliance and Internal Control

Members of the City Council
City of Roanoke, Texas
108 South Oak Street
Roanoke, Texas 76262

Members of the Board:

We have audited the financial statements of City of Roanoke, Texas as of and for the year ended September 30, 2009, and have issued our report thereon dated February 25, 2010. 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.

Compliance

As part of obtaining reasonable assurance about whether City of Roanoke, Texas's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Roanoke, Texas's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control

components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the City's council members, the audit committee, the administration, federal awarding agencies and pass-through entities, and is not intended to be used and should not be used by anyone other than these specified parties.

*J. Charles Haynes, CPA for
Haynes & Associates, P.C.*

Haynes and Associates, P.C.

February 25, 2010