

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT

ROCKDALE, TEXAS

BASIC FINANCIAL STATEMENTS

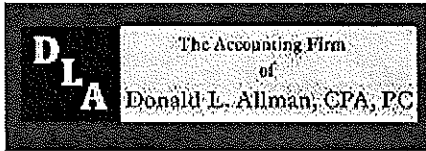
AND SUPPLEMENTAL SCHEDULES

AND INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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Donald L Allman, CPA, PC
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CERTIFIED PUBLIC ACCOUNTANT

**Report on Financial Statements Issued in Accordance with
Government Auditing Standards or in a Single Audit**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rockdale Municipal Development District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rockdale Municipal Development District as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Rockdale Municipal Development District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Rockdale Municipal Development District, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-5 and 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rockdale Municipal Development District's basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2023 on our consideration of the Rockdale Municipal Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Rockdale Municipal Development District's internal control over financial reporting and compliance.

Donald L. Allman, CPA, PC



Georgetown, TX
February 3, 2023

Management's Discussion and Analysis

As management we offer readers of the Rockdale Municipal Development District's financial statements this narrative overview and analysis of the financial activities of the Corporation for the fiscal year ended September 30, 2022. Please read it in conjunction with the financial statements and accompanying notes.

Overview of the Financial Statements

The annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The Corporation is a self supporting entity and uses a governmental fund to report operations.

The governmental fund statements tell how general services were financed in the short term as well as what remains for future spending.

The government-wide financial statements provide both long-term and short-term information about the Corporation's overall financial status. The government-wide statements are presented in a manner similar to a private business, such as a real estate development, investment banking, commercial lending, construction management and private consulting. The statement of net position includes all the Corporation's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Financial Highlights

- Sales tax revenues increased by \$129,501 (27%) during the fiscal year ended September 30, 2022.
- Total expenditures increased by \$149,685 (63%) during the fiscal year ended September 30, 2022.
- Net Position increased by \$233,357 (29%) during the fiscal year ended September 30, 2022.
- Long term Debt decreased by \$37,536 (9%) during the fiscal year ended September 30, 2022.

The following table provides a summary of the Corporation's Statement of Net Position:

| | 2022 | 2021 |
|----------------------------------|---------------------|-------------------|
| Current assets | \$ 667,446 | \$ 455,529 |
| Capital assets, net | 764,193 | 768,672 |
| TOTAL ASSETS | 1,431,639 | 1,224,201 |
| Current liabilities | 57,793 | 43,849 |
| Long-term liabilities | 348,452 | 380,977 |
| TOTAL LIABILITIES | 406,245 | 424,826 |
| Net Position: | | |
| Net Investment in Capital Assets | 376,903 | 343,846 |
| Restricted | - | - |
| Unrestricted | 648,491 | 455,529 |
| TOTAL NET POSITION | \$ 1,025,394 | \$ 799,375 |

Government-Wide Financial Analysis

The following table provides a summary of the Corporation's Changes in Net Position.

| | 2022 | 2021 |
|-----------------------------------|---------------------|----------------|
| Revenues: | | |
| Sales tax | \$ 613,269 | \$ 483,768 |
| Interest income | 6,040 | 2,206 |
| Grants/donations | - | - |
| Other | - | 4,734 |
| TOTAL REVENUES | <u>619,309</u> | <u>490,708</u> |
| Expenses: | | |
| Projects and Capital improvements | 118,923 | 52,872 |
| Contractual Services | 5,184 | 2,890 |
| Community Marketing | 2,176 | 700 |
| Dues and Memberships | 2,476 | 490 |
| Website | 2,484 | 2,484 |
| Conventions, Travel, Training | 11,277 | 3,975 |
| Board meetings | 4,623 | 163 |
| Cleaning/janitorial | 1,100 | 150 |
| Depreciation | 4,479 | 4,479 |
| Insurance | 855 | 2,482 |
| Interest expense | 10,481 | 15,244 |
| Office expense | 10,201 | 7,585 |
| Miscellaneous | 5,236 | 1,096 |
| Personnel | 153,951 | 78,285 |
| Phone and internet | 2,007 | 2,724 |
| Postage & delivery | 144 | 110 |
| Professional service | 21,751 | 55,354 |
| Storage | 600 | 440 |
| Repairs & maintenance | 24,171 | 1,455 |
| Utilities | 3,833 | 3,289 |
| TOTAL EXPENSES | <u>385,952</u> | <u>236,267</u> |
| CHANGE IN NET POSITION | 233,357 | 254,441 |
| Beginning net position | 799,375 | 544,934 |
| Prior Period Adjustment | (7,338) | |
| ENDING NET POSITION | <u>\$ 1,025,394</u> | <u>799,375</u> |

Operating Activities. Operating activities increased the Corporation's net position by \$233,357.

Capital Assets.

| | 2022 | 2021 |
|------------------------------------|-------------------|-------------------|
| Land | \$ 525.601 | \$ 525.601 |
| Building & Improvements, Equipment | 238.592 | 243.071 |
| TOTAL | <u>\$ 764.193</u> | <u>\$ 768.672</u> |

Long-Term Debt.

| <u>Description</u> | <u>Original Issue</u> | <u>Balance 9/30/21</u> | <u>Retirements</u> | <u>Balance 9/30/22</u> |
|-------------------------|-----------------------|------------------------|--------------------|------------------------|
| Series 2013 Tax Exempt | 330,000 | - | - | - |
| Series 2016A Tax Exempt | <u>600,000</u> | <u>424,826</u> | <u>37,536</u> | <u>387,290</u> |
| Total | <u>930,000</u> | <u>424,826</u> | <u>37,536</u> | <u>387,290</u> |

Economic Factors – Next Year’s Budget

The budget for the fiscal year ended September 30, 2023 was approved July 25, 2022. Sales tax revenues are projected to be \$485,600. Expenditures are projected to be \$464,100.

Requests for Information

This financial report is designed to provide a general overview of the Corporation for all those with an interest in the Corporation’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Rockdale Municipal Development District, P.O. Box 1196, Rockdale, TX 76567

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

| | GOVERNMENTAL ACTIVITIES |
|---|----------------------------|
| ASSETS | |
| Current assets: | |
| Cash & cash equivalents | \$ 543,218 |
| Sales Tax Receivable | <u>124,228</u> |
| Total current assets | <u>667,446</u> |
| Non-Current Assets | |
| Capital assets | |
| Land | 525,601 |
| Buildings, Improvements, Furniture, Equipment | <u>238,592</u> |
| Total non-current assets | <u>764,193</u> |
| TOTAL ASSETS | <u>\$ 1,431,639</u> |
| LIABILITIES | |
| Current: | |
| Accounts payable | \$ 18,955 |
| Current portion of Bonds payable | <u>38,838</u> |
| TOTAL CURRENT | <u>57,793</u> |
| Long-Term Liabilities: | |
| Bonds payable | <u>348,452</u> |
| TOTAL LONG-TERM | <u>348,452</u> |
| TOTAL LIABILITIES | <u>406,245</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 376,903 |
| Restricted | - |
| Unrestricted | <u>648,491</u> |
| TOTAL NET POSITION | <u>1,025,394</u> |

The accompanying notes are an integral part of the financial statements

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

| | GOVERNMENTAL ACTIVITIES |
|-----------------------------------|----------------------------|
| Revenues: | |
| Sales tax | \$ 613,269 |
| Public Support Donations | - |
| Interest income | 6,040 |
| Other | - |
| TOTAL REVENUES | 619,309 |
| Expenses: | |
| Projects and Capital improvements | 118,923 |
| Contractual Services | 5,184 |
| Community Marketing | 2,176 |
| Dues and Memberships | 2,476 |
| Website | 2,484 |
| Conventions, Travel | 11,277 |
| Board meetings | 4,623 |
| Cleaning/janitorial | 1,100 |
| Depreciation | 4,479 |
| Insurance | 855 |
| Interest expense | 10,481 |
| Miscellaneous expense | 5,236 |
| Office expense | 10,201 |
| Personnel | 153,951 |
| Phone and internet | 2,007 |
| Postage & delivery | 144 |
| Professional service | 21,751 |
| Storage | 600 |
| Repairs & maintenance | 24,171 |
| Utilities | 3,833 |
| Total Expenses | 385,952 |
| Change in Net Position | 233,357 |
| Net Position Beginning of Year | 799,375 |
| Prior period adjustment | (7,338) |
| Net Position Ending of Year | 1,025,394 |

The accompanying notes are an integral part of the financial statements

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

| | General Fund | Total Governmental Funds |
|--|-------------------|--------------------------------|
| Assets: | | |
| Cash and Cash Equivalents | \$ 543,218 | \$ 543,218 |
| Sales Tax Receivable | 124,228 | 124,228 |
| Total Assets | \$ 667,446 | 667,446 |
| Liabilities and Fund Balances | | |
| Liabilities: | | |
| Accounts Payable & Accrued Expenses | \$ 18,955 | 18,955 |
| Unearned Revenue | - | - |
| Total Liabilities | \$ 18,955 | \$ 18,955 |
| Fund Balances: | | |
| Nonspendable | | |
| Restricted for Debt Service | - | |
| Restricted for Construction | - | |
| Unassigned | 648,491 | 648,491 |
| Total Fund Balances | \$ 648,491 | 648,491 |
| | | |
| Total Liabilities and Fund Balances | \$ 667,446 | 667,446 |

The accompanying notes are an integral part of the financial statements

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

| | | | | | |
|--|--|--|--|--|---------------------|
| Net Position Governmental Funds | | | | | \$ 648,491 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. | | | | | \$ 764,193 |
| Unearned Revenues are not reported in government wide funds | | | | | - |
| Some long-term liabilities are not due and payable in the current period and therefore are not reported in these funds. | | | | | (387,290) |
| Net Position of Governmental Activities | | | | | \$ 1,025,394 |

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

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

| | General Fund | Total Governmental Funds |
|--------------------------------------|--------------|--------------------------------|
| Revenues | | |
| Taxes: | | |
| Sales Taxes | \$ 621,998 | \$ 621,998 |
| Investment Earnings | 6,040 | 6,040 |
| Other Revenue | - | - |
| Total Revenues | \$ 628,038 | \$ 628,038 |
| Expenditures | | |
| Projects and Capital improvements | \$ 118,923 | \$ 118,923 |
| Capital Outlay | - | 7,338 |
| Contractual Services | 5,184 | 5,184 |
| Community Marketing | 2,176 | 2,176 |
| Dues and Memberships | 2,476 | 2,476 |
| Website | 2,484 | 2,484 |
| Conventions, Travel | 11,277 | 11,277 |
| Board meetings | 4,623 | 4,623 |
| Cleaning/janitorial | 1,100 | 1,100 |
| Insurance | 855 | 855 |
| Interest expense & Debt Service | 48,017 | 48,017 |
| Miscellaneous expense | 5,236 | 5,236 |
| Office expense | 10,201 | 10,201 |
| Personnel | 153,951 | 153,951 |
| Phone and internet | 2,007 | 2,007 |
| Postage & delivery | 144 | 144 |
| Professional service | 21,751 | 21,751 |
| Storage | 600 | 600 |
| Repairs & maintenance | 24,171 | 24,171 |
| Utilities | 3,833 | 3,833 |
| Total Expenses | 419,009 | 426,347 |
| Net Income (Loss) | 209,029 | 201,691 |
| Beginning Balance Governmental Funds | 446,800 | 446,800 |
| Prior period adjustment | (7,338) | (7,338) |
| Ending Balance Governmental Funds | 648,491 | 648,491 |

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

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2022

| | | |
|---|--|-------------------|
| Total Net Change in Fund Balances - Governmental Funds | | \$ 201,691 |
| Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of the current year capital outlays is to increase net assets. | | - |
| Depreciation & Amortization is not recognized as an expense in governmental funds since it does not require resources of current funds. The net effect of the current year depreciation & amortization is to decrease net assets. | | (4,479) |
| Principal payments on bonds are not outflows for governmental activities | | 37,536 |
| Unearned revenue not reported in governmental activities | | (8,729) |
| Prior period adjustment | | 7,338 |
| | | - |
| | | - |
| Change in Net Position of Governmental Activities | | \$ 233,357 |

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

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTANT POLICIES

The Rockdale Municipal Development District “the District” is a political subdivision of the State of Texas and the City of Rockdale as its duly constituted authority and instrumentality in accordance with Chapter 377 of the Texas Local Government Code. The District is considered a component unit of the City of Rockdale, Texas and is governed by a seven member board of directors which are appointed by the City of Rockdale for staggered two-year terms. The Board appointed an Executive Director that answers to the board and is responsible for directing all activities of the District.

The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Government Auditing Standards Board (GASB) and other authoritative sources. The District has implemented the financial reporting standards of GASB Statements # 33 and # 61. The District has also implemented GASB Statement # 62 Codification of Accounting and Financial Reporting Guidance contained in Pre November 30, 1989 FASB and AICPA pronouncements, which incorporates certain Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements issued prior to December 1, 1989, into the GASB Codification as long as they do not conflict or contradict GASB literature.

A. Reporting Entity

The Rockdale Municipal Development District (the MDD) was created by voters in May, 2010 and began levying a ½ percent sales tax, starting October 1, 2010 on all items in the District that are subject to the general sales tax. The MDD jurisdiction includes the City of Rockdale and its extra-territorial jurisdiction (that area that extends outward from the city limits to one mile).

It is the mission of the MDD to aid the City of Rockdale and interested private or public entities in making the community a better place to live, work and do business. In so doing, the MDD may help and finance any permissible project as defined in Chapter 377 of the Texas Local Government Code and that benefits, strengthens, and diversifies the economic base of Rockdale.

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

The Corporation uses only governmental funds to report their operations and are engaged in a single program. For this reason, the Corporation has combined their fund financial statements and their government-wide financial statements by providing a columnar (line-by-line) reconciliation on the face of the financial statements.

Government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund 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, revenues are considered 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 are recorded only when payment is due.

The following governmental fund is reported:

The *general fund* is the primary operating. It accounts for all financial resources.

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
 September 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Capital Assets

Capital assets, which include land, buildings, furniture and equipment and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Corporation as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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.

Buildings, furniture and equipment of the Corporation are depreciated using the straight line method over the following estimated useful lives:

| ASSETS | YEARS |
|------------------------------------|-------|
| Buildings and improvements | 20-50 |
| Computers, furniture and equipment | 5-10 |

D. Budgetary Data

The Board adopts an “appropriated budget” for the General Fund, The Corporation is required to present the adopted and final amended budgeted revenues and expenditures. The Corporation compares the final amended budget to actual revenues and expenditures.

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

1. Prior to September 30, the Corporation Board of Directors prepares a budget for the next succeeding fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget.
3. Prior to September 30, the budget is legally enacted through passage of a resolution by the Rockdale Municipal Development District, Texas. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. The Corporation had no budget amendments during the year.
4. Budgeted amounts are as amended by the Board and City Council. All budget appropriations lapse at year end.

E. Subsequent Events

Management has evaluated subsequent events through February 2, 2023. the date the financial statements were available to be issued.

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
September 30, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS – CONTINUED

NOTE 2 – DEPOSITS AND INVESTMENTS

The Corporation is authorized to invest in securities that are listed in Texas House Bill 2459, *Public Funds Investment Act of 1995*.

The Corporation's deposits were fully insured or collateralized at September 30. At year end, the carrying amount of deposits in the Corporation operating account was \$543,218.

All investments held at September 30, are insured or registered, or held by the Corporation or its agent in the Corporation's name (Category 1).

The Corporation's investments as of September 30, are:

| | CARRY AMOUNT | MARKET VALUE |
|----------------------|-----------------|-----------------|
| Classic Bank Special | \$ 9,529 | \$ 9,529 |
| Classic Bank | 533,689 | 533,689 |
| | \$ 543,218 | \$ 543,218 |

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value. The Corporation concentrates its investments on short-term investments in order to limit market risk caused by changes in interest rates. The maximum allowed maturity of an investment by the Corporation is two years.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. The Corporation's depository fully collateralizes the Corporation's deposits as outlined above.

NOTE 3 – CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended September 30, 2022 was as follows:

| | PRIMARY GOVERNMENT | | | |
|--------------------------|----------------------|------------|-----------|------------|
| | BEGINNING BALANCE | ADDITIONS | DELETIONS | |
| Capital Asset Activity | | | | |
| Office Equipment | 8,256 | | | 8,256 |
| Furniture & Fixtures | 19,552 | - | - | 19,552 |
| Buildings & Improvements | 168,366 | - | | 168,366 |
| Land Improvements | 83,244 | - | | 83,244 |
| Land | 525,601 | | | 525,601 |
| TOTAL ASSETS | 805,019 | - | - | 805,019 |
| Accumulated depreciation | (36,347) | (4,479) | - | (40,826) |
| TOTAL | \$ 768,672 | \$ (4,479) | \$ - | \$ 764,193 |

Depreciation expense for the fiscal year ended September 30, 2022 was \$4,479.

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
 September 30, 2022

NOTE 4 – LONG-TERM DEBT

Changes in bonds payable for the year ended September 30, 2022 is as follows:

| <u>Description</u> | <u>Original Issue</u> | <u>Balance 9/30/21</u> | <u>Retirements</u> | <u>Balance 9/30/22</u> |
|-------------------------|-----------------------|------------------------|--------------------|------------------------|
| Series 2013 Tax Exempt | 330,000 | - | - | - |
| Series 2016A Tax Exempt | 600,000 | 424,826 | 37,536 | 387,290 |
| Total | 930,000 | 424,826 | 37,536 | 387,290 |

Debt Service requirements for bonds payable for the fiscal year ended September 30, 2022.

| <u>YEAR ENDED</u> <u>SEPTEMBER 30,</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|---|-------------------|------------------|-------------------|
| 2023 | 38,838 | 9,408 | 48,246 |
| 2024 | 39,846 | 8,400 | 48,246 |
| 2025 | 40,854 | 7,392 | 48,246 |
| 2026 | 41,862 | 6,384 | 48,246 |
| 2027 | 42,870 | 5,376 | 48,246 |
| Thereafter | 183,020 | 9,966 | 192,986 |
| | <u>\$ 387,290</u> | <u>\$ 46,926</u> | <u>\$ 434,216</u> |

Retirement Benefits Plan

Employees of the District are included in the City of Rockdale’s retirement plan and are members of TMRS.

Health Care Coverage

Employees of the District are included in the City of Rockdale’s employee benefits and are provided health insurance through TML.

NOTE 5 – CONCENTRATION OF RISK

The Corporation is dependent on sales taxes collected in the Rockdale Municipal Development District, Texas. Therefore, the Corporation is subject to any significant changes in the economic environment to the City. No litigation that would have a material effect on the District was noted by Counsel at the completion of this audit.

NOTE 6 – SUBSEQUENT EVENTS

No subsequent events that would have a material effect on the financial statements were noted as of February 3, 2023.

NOTE 7 – PRIOR PERIOD ADJUSTMENT

The financial statements were amended by removing \$7,338 of furniture from capital assets to agree with the Corporation’s records.

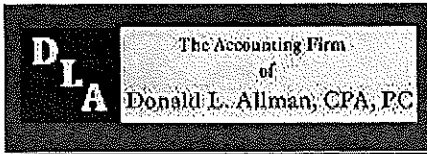
REQUIRED SUPPLEMENTARY INFORMATION

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2022

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|---------------------------------------|--------------------|-------------------|-------------------|--|
| Revenues: | | | | |
| Sales Tax | \$ 476,100 | \$ 499,100 | \$ 621,998 | \$ 122,898 |
| Grants/donations | - | - | - | - |
| Interest income | - | - | 6,040 | 6,040 |
| Other | - | - | - | - |
| TOTAL REVENUES | 476,100 | 499,100 | 628,038 | 128,938 |
| Expenditures: | | | | |
| Projects and Capital improvements | 203,500 | 265,000 | 118,923 | 146,077 |
| Contractual Services | 18,250 | 29,150 | 5,184 | 23,966 |
| Community Marketing | 13,600 | 15,600 | 2,176 | 13,424 |
| Dues and Memberships | - | - | 2,476 | (2,476) |
| Capital Outlay | - | - | - | - |
| Board of Directors | - | - | - | - |
| Website | - | - | 2,484 | (2,484) |
| Conventions, Travel, Training | 6,750 | 2,750 | 11,277 | (8,527) |
| Board meetings | 2,500 | 3,500 | 4,623 | 1,123 |
| Cleaning/janitorial | - | - | 1,100 | (1,100) |
| Insurance | - | - | 855 | 855 |
| Interest expense & Debt Service | 48,264 | 48,264 | 48,017 | 247 |
| Miscellaneous expense | - | - | 5,236 | - |
| Office expense | 4,000 | 7,200 | 10,201 | (3,001) |
| Personnel | 167,500 | 167,500 | 153,951 | 13,549 |
| Phone and internet | - | - | 2,007 | (2,007) |
| Postage & delivery | - | - | 144 | (144) |
| Professional service | - | - | 21,751 | (21,751) |
| Storage | - | - | 600 | 600 |
| Repairs & maintenance | 23,000 | 40,000 | 24,171 | 15,829 |
| Utilities | - | - | 3,833 | (3,833) |
| TOTAL EXPENSES | 487,364 | 578,964 | 419,009 | 159,955 |
| NET INCOME (LOSS) | (11,264) | (79,864) | 209,029 | |
| FUND BALANCE BEGINNING OF YEAR | 446,800 | 446,800 | 446,800 | |
| Prior Period Adjustment | | | (7,338) | |
| FUND BALANCE END OF YEAR | \$ 435,536 | \$ 366,936 | \$ 648,491 | \$ 156,122 |

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



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CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Rockdale Municipal Development District, TX

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rockdale Municipal Development District, TX, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Rockdale Municipal Development District, TX's basic financial statements, and have issued our report thereon dated February 3, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Rockdale Municipal Development District, TX's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Rockdale Municipal Development District, TX's internal control. Accordingly, we do not express an opinion on the effectiveness of the Rockdale Municipal Development District, TX's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Rockdale Municipal Development District, TX's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Donald L. Allman, CPA, PC
Georgetown, TX
February 3, 2023

