

**COMBINING  
AND  
INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**



## **MAJOR GOVERNMENTAL FUNDS**

### **GENERAL FUND**

The General Fund is used to account for resources associated with traditional governmental functions that are not required legally or by sound financial management to be accounted for in another fund.

### **DEBT SERVICE FUND**

The Debt Service Fund is used to account for the accumulation of resources for and the payment of general obligation bonds and interest from governmental resources.

### **CAPITAL PROJECT FUND**

The Capital Project Fund accounts for all resources used for the acquisition and/or construction of major capital facilities by the City, except those financed by proprietary funds and trust funds.

**CITY OF THE COLONY, TEXAS  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,999,101	\$ 5,242,708
Investments	-	1,998,888
Receivables, net of allowances for uncollectibles:		
Ad valorem taxes	214,173	257,145
Service accounts receivable	209,118	171,689
Franchise taxes	277,464	275,173
Sales taxes	529,289	526,639
Other	226,307	189,949
Due from other funds	-	139,493
Other assets	926	281
	<u>926</u>	<u>281</u>
<b>TOTAL ASSETS</b>	<b>\$ 8,456,378</b>	<b>\$ 8,801,965</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 1,384,660	\$ 1,697,026
Deferred revenue	332,061	408,962
	<u>332,061</u>	<u>408,962</u>
<b>TOTAL LIABILITIES</b>	<b>1,716,721</b>	<b>2,105,988</b>
<b>FUND BALANCES</b>		
Reserved for encumbrances	128,959	303,401
Unreserved:		
Designated for Hidden Cove Park	165,000	140,000
Unreserved, undesignated	6,445,698	6,252,576
	<u>6,445,698</u>	<u>6,252,576</u>
<b>TOTAL FUND BALANCE</b>	<b>6,739,657</b>	<b>6,695,977</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 8,456,378</b>	<b>\$ 8,801,965</b>

**CITY OF THE COLONY, TEXAS  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Ad valorem taxes, penalties and interest	\$ 10,579,312	\$ 10,080,359
Franchise taxes	2,024,098	1,782,819
Municipal sales tax	3,096,768	3,055,468
Licenses and permits	1,012,026	1,542,896
Charges for services	1,073,813	1,031,277
Fines and forfeitures	983,040	1,135,061
Grants	63,901	226,622
Gifts and contributions	241,110	-
Interest earned	133,277	248,222
Miscellaneous	754,250	416,505
	<u>19,961,595</u>	<u>19,519,229</u>
<b>EXPENDITURES</b>		
General government	5,372,394	5,199,183
Public safety	11,056,848	10,160,640
Public works	1,459,354	1,661,030
Cultural and recreation	3,145,628	3,083,350
	<u>21,034,224</u>	<u>20,104,203</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,072,629)</u>	<u>(584,974)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers from other funds	2,107,309	2,095,000
Transfers to other funds	<u>(991,000)</u>	<u>(836,384)</u>
<b>Total other financing sources (uses)</b>	<u>1,116,309</u>	<u>1,258,616</u>
<b>NET CHANGE IN FUND BALANCE</b>	43,680	673,642
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>6,695,977</u>	<u>6,022,335</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 6,739,657</u></u>	<u><u>\$ 6,695,977</u></u>

**CITY OF THE COLONY, TEXAS  
DEBT SERVICE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,350,846	\$ 914,838
Investments	-	254,034
Receivables, net of allowances for uncollectibles:		
Ad valorem taxes	<u>85,871</u>	<u>103,666</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,436,717</u>	<u>\$ 1,272,538</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 58,177	\$ 58,500
Deferred revenue	<u>77,293</u>	<u>90,114</u>
<b>TOTAL LIABILITIES</b>	<u>135,470</u>	<u>148,614</u>
<b>FUND BALANCE</b>		
Reserved for debt service	<u>1,301,247</u>	<u>1,123,924</u>
<b>TOTAL FUND BALANCE</b>	<u>1,301,247</u>	<u>1,123,924</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 1,436,717</u>	<u>\$ 1,272,538</u>

**CITY OF THE COLONY, TEXAS  
DEBT SERVICE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Ad valorem taxes, penalties and interest	\$ 4,328,641	\$ 4,286,610
Gifts and contributions	642,386	780,653
Interest earned	22,039	63,746
<b>Total revenues</b>	<u>4,993,066</u>	<u>5,131,009</u>
<b>EXPENDITURES</b>		
Principal retirement	3,104,921	2,981,100
Interest and fiscal charges	1,991,916	2,251,494
<b>Total expenditures</b>	<u>5,096,837</u>	<u>5,232,594</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(103,771)</u>	<u>(101,585)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Payments to bond escrow agent		(6,357,600)
Premium from issuance of bonds		57,792
Proceeds from issuance of bonds		6,415,000
Transfers from other funds	281,094	144,320
<b>Total other financing sources (uses)</b>	<u>281,094</u>	<u>259,512</u>
<b>NET CHANGE IN FUND BALANCE</b>	177,323	157,927
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,123,924</u>	<u>965,997</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,301,247</u>	<u>\$ 1,123,924</u>

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

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>REVENUES</b>				
Ad valorem tax	\$ 4,305,039	\$ 4,354,650	\$ 4,328,641	\$ (26,009)
Gifts and contributions	723,709	887,709	642,386	(245,323)
Interest	30,000	24,600	22,039	(2,561)
<b>Total revenues</b>	<u>5,058,748</u>	<u>5,266,959</u>	<u>4,993,066</u>	<u>(273,893)</u>
<b>EXPENDITURES</b>				
Principal retirement	3,096,100	3,106,100	3,104,921	(1,179)
Interest and fiscal charges	2,143,903	2,121,563	1,991,916	129,647
<b>Total expenditures</b>	<u>5,240,003</u>	<u>5,227,663</u>	<u>5,096,837</u>	<u>128,468</u>
Excess (deficiency) of revenues over expenditures	<u>(181,255)</u>	<u>39,296</u>	<u>(103,771)</u>	<u>(143,067)</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers from other funds	180,271	180,271	281,094	100,823
<b>Total other financing sources (uses)</b>	<u>180,271</u>	<u>180,271</u>	<u>281,094</u>	<u>100,823</u>
<b>NET CHANGE IN FUND BALANCES</b>	(984)	219,567	177,323	(42,244)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,123,924</u>	<u>1,123,924</u>	<u>1,123,924</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,122,940</u>	<u>\$ 1,343,491</u>	<u>\$ 1,301,247</u>	<u>\$ (42,244)</u>

**CITY OF THE COLONY, TEXAS  
CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,825,020	\$ 6,625,021
Investments	-	2,061,952
Miscellaneous accounts receivable	28,034	624,710
<b>TOTAL ASSETS</b>	<b>\$ 3,853,054</b>	<b>\$ 9,311,683</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 797,303	\$ 644,682
Retainage payable	184,898	566,361
Deferred revenue	38,670	663,380
<b>TOTAL LIABILITIES</b>	1,020,871	1,874,423
<b>FUND BALANCE</b>		
Reserved for capital projects	2,832,183	7,437,260
<b>TOTAL FUND BALANCE</b>	2,832,183	7,437,260
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 3,853,054</b>	<b>\$ 9,311,683</b>

**CITY OF THE COLONY, TEXAS  
CAPITAL PROJECTS FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Gifts and contributions	\$ 748,716	\$ 1,022,433
Capital recovery fees	2,984,691	4,384,262
Interest earned	123,439	372,927
	<u>3,856,846</u>	<u>5,779,622</u>
<b>EXPENDITURES</b>		
Public works	2,122,886	694,157
Capital outlay	6,632,542	10,199,487
	<u>8,755,428</u>	<u>10,893,644</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,898,582)</u>	<u>(5,114,022)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Issuance of certificates of obligation	-	1,700,000
Transfers from other funds	903,988	1,325,429
Transfers to other funds	(610,483)	(2,662,143)
	<u>293,505</u>	<u>363,286</u>
<b>NET CHANGE IN FUND BALANCE</b>	(4,605,077)	(4,750,736)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>7,437,260</u>	<u>12,187,996</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 2,832,183</u>	<u>\$ 7,437,260</u>

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

The Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

**Lake Parks Fund** – To account for revenue generated by fees and permits to enter and utilize the park area and facilities located on the eastern shore of Lake Lewisville.

**Environmental Fund** – To account for recycling fees from residents as well as donated proceeds and State grants for use in recycling.

**Hidden Cove Park Fund** -- To account for revenue generated by fees and permits to enter and utilize the park area and facilities located on Lake Lewisville, northwest of The Colony.

**Special Events Fund** – To account for various special events of the City including Christmas decorations and a 4<sup>th</sup> of July fireworks display.

**Hotel/Motel Taxes Fund** – To account for the receipt and allocation of the City's hotel/motel occupancy tax.

**Library Grants Fund** – To account for proceeds received from various State grants received by the Library.

**Police Confiscated Fund** – To account for the funds seized by the Police Department that have been awarded by the court.

**Police Seized Funds** – To account for funds seized by the Police Department that are awaiting disposition by the court.

**Storm Water Utility Fund** – To account for the revenue and expenses associated with the drainage projects within the City.

**Court Security Fund** – To account for the revenue and expenditures associated with the portion of traffic tickets that have been designated for the security of the Municipal Court.

**Court Technology Fund** – To account for the revenue and expenditures associated with the portion of traffic tickets designated for upgrading the technology in the Municipal Court.

**Community Center Fund** – To account for revenues and expenditures for the operations of the Community Center.

**Citizens Donation Fund** – To account for money received from the \$1 Add-On Program and the Recycling Rebate Program. This money is designated for social and community services, public safety citizen programs and beautification projects.

**CITY OF THE COLONY, TEXAS  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2009**

	SPECIAL REVENUE				
	LAKE PARKS	ENVIRONMENTAL	HIDDEN COVE PARK	SPECIAL EVENTS	HOTEL/ MOTEL TAXES
<b>ASSETS</b>					
Cash and cash equivalents	\$ 223,444	\$ 92,253	\$ (163,411)	\$ 129,147	\$ 56,483
Accounts receivable	-	7,089	-	6,747	34,340
<b>TOTAL ASSETS</b>	<u>\$ 223,444</u>	<u>\$ 99,342</u>	<u>\$ (163,411)</u>	<u>\$ 135,894</u>	<u>\$ 90,823</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	5,548	27,366	\$ 100	\$ 7,450	\$ 897
<b>TOTAL LIABILITIES</b>	<u>5,548</u>	<u>27,366</u>	<u>100</u>	<u>7,450</u>	<u>897</u>
<b>FUND BALANCES (DEFICITS)</b>					
Reserved for encumbrances	7,400	-	-	-	89,926
Reserved for court security and technology	-	-	-	-	-
Reserved - special revenue funds	210,496	71,976	-	128,444	-
Unreserved	-	-	(163,511)	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>217,896</u>	<u>71,976</u>	<u>(163,511)</u>	<u>128,444</u>	<u>89,926</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 223,444</u>	<u>\$ 99,342</u>	<u>\$ (163,411)</u>	<u>\$ 135,894</u>	<u>\$ 90,823</u>

**EXHIBIT C-1**

**SPECIAL REVENUE**

<u>LIBRARY GRANTS</u>	<u>POLICE CONFISCATED FUNDS</u>	<u>POLICE SEIZED FUNDS</u>	<u>STORM WATER UTILITY</u>	<u>COURT SECURITY</u>	<u>COURT TECHNOLOGY</u>	<u>COMMUNITY CENTER</u>	<u>CITIZENS DONATIONS</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
\$ 1,005	\$ 3,287	\$ 15,713	\$ 95,543	\$ 265,255	\$ 29,686	\$ 57,594	\$ 143	\$ 806,142
-	-	-	-	-	-	-	-	48,176
<u>\$ 1,005</u>	<u>\$ 3,287</u>	<u>\$ 15,713</u>	<u>\$ 95,543</u>	<u>\$ 265,255</u>	<u>\$ 29,686</u>	<u>\$ 57,594</u>	<u>\$ 143</u>	<u>\$ 854,318</u>
\$ -	\$ 49	\$ -	\$ 20,393	\$ -	\$ 6,186	\$ 6,269	\$ -	\$ 74,258
-	49	-	20,393	-	6,186	6,269	-	\$ 74,258
-	-	-	-	-	-	-	-	\$ 97,326
-	-	-	-	265,255	23,500	-	-	288,755
1,005	3,238	15,713	75,150	-	-	51,325	143	557,490
-	-	-	-	-	-	-	-	(163,511)
<u>1,005</u>	<u>3,238</u>	<u>15,713</u>	<u>75,150</u>	<u>265,255</u>	<u>23,500</u>	<u>51,325</u>	<u>143</u>	<u>\$ 780,060</u>
<u>\$ 1,005</u>	<u>\$ 3,287</u>	<u>\$ 15,713</u>	<u>\$ 95,543</u>	<u>\$ 265,255</u>	<u>\$ 29,686</u>	<u>\$ 57,594</u>	<u>\$ 143</u>	<u>\$ 854,318</u>

**CITY OF THE COLONY, TEXAS  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<b>SPECIAL REVENUE</b>				
	<b>STEWART CREEK PARK</b>	<b>RECYCLING</b>	<b>HIDDEN COVE PARK</b>	<b>SPECIAL EVENTS</b>	<b>HOTEL/ MOTEL TAXES</b>
<b>REVENUES</b>					
Licenses and permits	\$ 118,118	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Franchise taxes	-	25,086	-	-	-
Hotel / motel taxes	-	-	-	-	129,444
Gifts and contributions	84,280	-	50,000	5,274	-
Grants	-	-	-	-	-
Interest	1,823	1,104	-	1,095	4,527
Miscellaneous	-	36,033	-	42,694	30
<b>Total revenues</b>	<b>204,221</b>	<b>62,223</b>	<b>50,000</b>	<b>49,063</b>	<b>134,001</b>
<b>EXPENDITURES</b>					
Current:					
Culture and recreation	107,273	-	23,918	276,534	158,249
Public works	-	121,588	-	-	-
Public safety	-	-	-	-	-
<b>Total expenditures</b>	<b>107,273</b>	<b>121,588</b>	<b>23,918</b>	<b>276,534</b>	<b>158,249</b>
Excess (deficiency) of revenues over expenditures	96,948	(59,365)	26,082	(227,471)	(24,248)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	-	64,000	-	267,803	-
Transfers to other funds	(35,000)	-	(50,000)	-	(297,503)
<b>Total other financing sources (uses)</b>	<b>(35,000)</b>	<b>64,000</b>	<b>(50,000)</b>	<b>267,803</b>	<b>(297,503)</b>
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	<b>61,948</b>	<b>4,635</b>	<b>(23,918)</b>	<b>40,332</b>	<b>(321,751)</b>
<b>FUND BALANCES (DEFICITS), BEGINNING OF YEAR</b>	<b>155,948</b>	<b>67,341</b>	<b>(139,593)</b>	<b>88,112</b>	<b>411,677</b>
<b>FUND BALANCES (DEFICITS), END OF YEAR</b>	<b>\$ 217,896</b>	<b>\$ 71,976</b>	<b>\$ (163,511)</b>	<b>\$ 128,444</b>	<b>\$ 89,926</b>

EXHIBIT C-2

SPECIAL REVENUE

LIBRARY GRANTS	POLICE CONFISCATED FUNDS	POLICE SEIZED FUNDS	STORM WATER UTILITY	COURT SECURITY	COURT TECHNOLOGY	COMMUNITY CENTER	CITIZENS DONATIONS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ 475,467	\$ -	\$ -	\$ -	\$ -	\$ 593,585
-	-	12,132	-	24,108	32,144	-	-	68,384
-	-	-	-	-	-	-	-	25,086
-	-	-	-	-	-	-	-	129,444
-	-	-	-	-	-	-	143	139,697
14,264	-	-	-	-	-	-	-	14,264
40	65	22	2,041	2,480	957	270	-	14,424
-	-	-	-	-	-	50,418	-	129,175
<u>14,304</u>	<u>65</u>	<u>12,154</u>	<u>477,508</u>	<u>26,588</u>	<u>33,101</u>	<u>50,688</u>	<u>143</u>	<u>1,114,059</u>
15,102	-	-	-	-	-	149,857	-	730,933
-	-	-	722,475	-	-	-	-	844,063
-	8,918	-	-	1,125	122,469	-	-	132,512
<u>15,102</u>	<u>8,918</u>	<u>-</u>	<u>722,475</u>	<u>1,125</u>	<u>122,469</u>	<u>149,857</u>	<u>-</u>	<u>1,707,508</u>
(798)	(8,853)	12,154	(244,967)	25,463	(89,368)	(99,169)	143	(593,449)
-	1,320	-	185,000	-	-	108,000	-	626,123
-	-	(1,320)	(103,609)	-	-	-	-	(487,432)
-	1,320	(1,320)	81,391	-	-	108,000	-	138,691
(798)	(7,533)	10,834	(163,576)	25,463	(89,368)	8,831	143	(454,758)
<u>1,803</u>	<u>10,771</u>	<u>4,879</u>	<u>238,726</u>	<u>239,792</u>	<u>112,868</u>	<u>42,494</u>	<u>-</u>	<u>1,234,818</u>
<u>\$ 1,005</u>	<u>\$ 3,238</u>	<u>\$ 15,713</u>	<u>\$ 75,150</u>	<u>\$ 265,255</u>	<u>\$ 23,500</u>	<u>\$ 51,325</u>	<u>\$ 143</u>	<u>\$ 780,060</u>

**CITY OF THE COLONY  
LAKE PARKS SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL BUDGET BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Fees and permits	\$ 105,200	\$ 110,200	\$ 118,118	\$ 7,918
Developer contributions	39,720	39,720	84,280	44,560
Investment income	3,000	2,300	1,823	(477)
<b>Total revenues</b>	<u>147,920</u>	<u>152,220</u>	<u>204,221</u>	<u>52,001</u>
<b>EXPENDITURES</b>				
Culture and recreation	<u>189,760</u>	<u>189,853</u>	<u>107,273</u>	<u>82,580</u>
<b>Total expenditures</b>	<u>189,760</u>	<u>189,853</u>	<u>107,273</u>	<u>82,580</u>
Excess (deficiency) of revenues over expenditures	<u>(41,840)</u>	<u>(37,633)</u>	<u>96,948</u>	<u>134,581</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers to other funds	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(76,840)	(72,633)	61,948	134,581
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>155,948</u>	<u>155,948</u>	<u>155,948</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 79,108</u>	<u>\$ 83,315</u>	<u>\$ 217,896</u>	<u>\$ 134,581</u>

**CITY OF THE COLONY  
ENVIRONMENTAL SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL BUDGET BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Franchise taxes	\$ 24,000	\$ 24,000	\$ 25,086	\$ 1,086
Interest	1,200	1,200	1,104	(96)
Miscellaneous	36,000	36,000	36,033	33
<b>Total revenues</b>	<u>61,200</u>	<u>61,200</u>	<u>62,223</u>	<u>1,023</u>
<b>EXPENDITURES</b>				
Public works	154,061	154,308	121,588	32,720
<b>Total expenditures</b>	<u>154,061</u>	<u>154,308</u>	<u>121,588</u>	<u>32,720</u>
Excess (deficiency) of revenues over expenditures	<u>(92,861)</u>	<u>(93,108)</u>	<u>(59,365)</u>	<u>33,743</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers from other funds	64,000	64,000	64,000	-
<b>Total other financing sources (uses)</b>	<u>64,000</u>	<u>64,000</u>	<u>64,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(28,861)	(29,108)	4,635	33,743
<b>FUND BALANCE, BEGINNING OF YEAR</b>	67,341	67,341	67,341	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 38,480</u>	<u>\$ 38,233</u>	<u>\$ 71,976</u>	<u>\$ 33,743</u>

**CITY OF THE COLONY  
HIDDEN COVE PARK SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL BUDGET BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Gifts and contributions	\$ 50,000	\$ 300,000	\$ 50,000	\$ (250,000)
Miscellaneous	6,000	6,200	-	(6,200)
<b>Total revenues</b>	<u>56,000</u>	<u>306,200</u>	<u>50,000</u>	<u>(256,200)</u>
<b>EXPENDITURES</b>				
Culture and recreation	-	2,420	23,918	(21,498)
<b>Total expenditures</b>	<u>-</u>	<u>2,420</u>	<u>23,918</u>	<u>(21,498)</u>
Excess (deficiency) of revenues over expenditures	<u>56,000</u>	<u>303,780</u>	<u>26,082</u>	<u>(256,200)</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers to other funds	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	6,000	253,780	(23,918)	(256,200)
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	<u>(139,593)</u>	<u>(139,593)</u>	<u>(139,593)</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ (133,593)</u>	<u>\$ 114,187</u>	<u>\$ (163,511)</u>	<u>\$ (256,200)</u>

**CITY OF THE COLONY  
SPECIAL EVENTS SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL BUDGET BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Gifts and contributions	\$ 10,200	\$ 13,974	\$ 5,274	\$ (8,700)
Interest	750	1,000	1,095	95
Miscellaneous	17,800	19,150	42,694	23,544
<b>Total revenues</b>	<u>28,750</u>	<u>34,124</u>	<u>49,063</u>	<u>14,939</u>
<b>EXPENDITURES</b>				
Culture and recreation	257,451	306,023	276,534	29,489
<b>Total expenditures</b>	<u>257,451</u>	<u>306,023</u>	<u>276,534</u>	<u>29,489</u>
Excess (deficiency) of revenues over expenditures	<u>(228,701)</u>	<u>(271,899)</u>	<u>(227,471)</u>	<u>44,428</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers from other funds	219,500	267,803	267,803	-
<b>Total other financing sources (uses)</b>	<u>219,500</u>	<u>267,803</u>	<u>267,803</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(9,201)	(4,096)	40,332	44,428
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>88,112</u>	<u>88,112</u>	<u>88,112</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 78,911</u>	<u>\$ 84,016</u>	<u>\$ 128,444</u>	<u>\$ 44,428</u>

**CITY OF THE COLONY  
HOTEL/MOTEL TAXES SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL BUDGET BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Hotel / motel taxes	\$ 135,500	\$ 178,400	\$ 129,474	\$ (48,926)
Gifts and contributions	-	-	-	-
Interest	10,000	4,000	4,527	527
<b>Total revenues</b>	<u>145,500</u>	<u>182,400</u>	<u>134,001</u>	<u>(48,399)</u>
<b>EXPENDITURES</b>				
Culture and recreation	36,655	206,168	248,175	(42,007)
<b>Total expenditures</b>	<u>36,655</u>	<u>206,168</u>	<u>248,175</u>	<u>(42,007)</u>
Excess (deficiency) of revenues over expenditures	<u>108,845</u>	<u>(23,768)</u>	<u>(114,174)</u>	<u>(90,406)</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	(249,200)	(297,503)	(297,503)	-
<b>Total other financing sources (uses)</b>	<u>(249,200)</u>	<u>(297,503)</u>	<u>(297,503)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(140,355)	(321,271)	(411,677)	(90,406)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>411,677</u>	<u>411,677</u>	<u>411,677</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 271,322</u>	<u>\$ 90,406</u>	<u>\$ -</u>	<u>\$ (90,406)</u>

## **MAJOR ENTERPRISE FUNDS**

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

**Water and Sewer Fund** – To account for the provision of water and sewer services to the residents of the City.

## EXHIBIT D-1

**CITY OF THE COLONY, TEXAS  
WATER AND SEWER ENTERPRISE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	4,889,635	\$ 3,816,171
Investments	-	2,960,196
Receivables, net of allowance for uncollectibles:		
Ad valorem taxes	13,369	19,311
Accounts	1,449,916	1,505,488
Interest	3,618	3,618
Other	1,497	163,312
Inventories	66,372	75,705
Prepaid expenses	9,556	9,158
Restricted cash and cash equivalents	<u>5,079,349</u>	<u>7,642,544</u>
<b>Total current assets</b>	<u>11,513,312</u>	<u>16,195,503</u>
<b>CAPITAL ASSETS</b>		
Land	3,202,360	2,891,887
Water system	48,936,207	34,581,679
Sanitary sewer system	39,540,945	36,046,182
Buildings	548,217	525,562
Machinery and equipment	1,580,768	1,328,537
Engineering fees	2,473,213	2,473,213
Organizational costs	5,718,467	5,718,467
Construction in progress	<u>2,750,127</u>	<u>13,956,400</u>
<b>Total capital assets</b>	104,750,304	97,521,927
Less: accumulated depreciation	<u>(26,456,544)</u>	<u>(24,376,068)</u>
Capital assets, net of accumulated depreciation	<u>78,293,760</u>	<u>73,145,859</u>
<b>DEFERRED CHARGES</b>		
Bond issuance costs, net of amortization	<u>757,984</u>	<u>813,598</u>
<b>TOTAL ASSETS</b>	<u>\$ 90,565,056</u>	<u>\$ 90,154,960</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 1,085,573	\$ 1,128,977
Due to other funds		
Accrued compensated absences	238,875	235,480
Deferred revenue		
Payable from restricted assets:		
Accounts payable and accrued expenses	328,436	432,886
Revenue bonds payable	2,252,545	1,859,742
Unamortized bond premium	59,286	59,286
Accrued interest payable	264,780	267,970
Customer meter deposits	<u>786,547</u>	<u>732,294</u>
<b>Total current liabilities</b>	<u>5,016,042</u>	<u>4,716,635</u>
<b>NON-CURRENT LIABILITIES</b>		
Revenue bonds payable	43,850,492	46,050,891
Unamortized bond premium	<u>905,714</u>	<u>965,001</u>
<b>Total non-current liabilities</b>	<u>44,756,206</u>	<u>47,015,892</u>
<b>TOTAL LIABILITIES</b>	<u>49,772,248</u>	<u>51,732,527</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	34,257,283	31,228,426
Restricted for:		
Revenue bond principal and interest	2,008,372	1,927,384
Unrestricted	<u>4,527,153</u>	<u>5,266,623</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 40,792,808</u>	<u>\$ 38,422,433</u>

**CITY OF THE COLONY, TEXAS  
WATER AND SEWER ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services:		
Water service	\$ 7,486,968	\$ 7,477,100
Wastewater treatment service	4,428,120	4,207,012
Other fees and penalties	1,286,618	1,305,115
Miscellaneous	22,577	19,276
<b>Total operating revenues</b>	<u>13,224,283</u>	<u>13,008,503</u>
<b>OPERATING EXPENSES:</b>		
Personnel services	2,939,236	2,885,639
Contractual services	2,221,796	2,585,840
Supplies	387,068	356,943
Maintenance	749,267	579,835
Water purchases	1,674,187	1,591,607
Depreciation	2,155,761	1,947,352
<b>Total operating expenses</b>	<u>10,127,315</u>	<u>9,947,216</u>
<b>OPERATING INCOME</b>	<u>3,096,968</u>	<u>3,061,287</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Property taxes	9,170	23,758
Interest income	199,739	552,763
Loss on disposition of capital assets	-	-
Interest expense	(2,104,519)	(2,183,417)
Development fees	835,678	614,828
<b>Total non-operating revenues</b>	<u>(1,059,932)</u>	<u>(992,068)</u>
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<u>2,037,036</u>	<u>2,069,219</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>		
Grants and contributions	1,799,074	
Capital contributions	391,870	1,018,773
Transfers from other funds	610,483	2,299,432
Transfers to other funds	(2,468,088)	(2,581,679)
<b>Total capital contributions and transfers</b>	<u>333,339</u>	<u>736,526</u>
<b>CHANGE IN NET ASSETS</b>	2,370,375	2,805,745
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>38,422,433</u>	<u>35,616,688</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 40,792,808</u>	<u>\$ 38,422,433</u>

**CITY OF THE COLONY, TEXAS  
WATER AND SEWER ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 13,495,923	\$ 13,123,760
Cash paid to employees for services	(2,935,841)	(2,873,357)
Cash paid for goods and services	(5,174,910)	(4,770,882)
<b>Net cash provided by operating activities</b>	<u>5,385,172</u>	<u>5,479,521</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Property taxes	15,112	32,102
Transfers from other funds	2,409,557	2,299,432
Transfers to other funds	(2,468,088)	(2,581,679)
<b>Net cash used in non-capital financing activities</b>	<u>(43,419)</u>	<u>(250,145)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal paid on revenue bond maturities	(1,807,596)	(1,878,027)
Interest paid	(2,107,709)	(2,202,294)
Acquisition of capital assets	(6,911,792)	(5,541,603)
Cost of issuance of bonds	-	(46,004)
Payment to escrow agent for refunding	-	(3,410,000)
Proceeds from issuance of bonds	-	3,420,000
Contributions from developers	835,678	614,828
<b>Net cash used in capital and related financial activities</b>	<u>(9,991,419)</u>	<u>(9,043,100)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(474,511)	(555,434)
Sale of investments	3,434,707	-
Interest on investments	199,739	561,654
<b>Net cash provided by investing activities</b>	<u>3,159,935</u>	<u>6,220</u>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,489,731)	(3,807,504)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>11,458,715</u>	<u>15,266,219</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 9,968,984</u>	<u>\$ 11,458,715</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Net operating income	\$ 3,096,968	\$ 3,061,287
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,155,761	1,947,352
Amortization of bond issuance costs	(51,656)	44,078
Amortization of premiums and deferred losses	47,983	31,147
Change in assets and liabilities:		
Decrease in accounts receivable	217,387	49,852
(Increase) decrease in inventories	9,333	(24,088)
(Increase) in prepaid expenses	(398)	(2,696)
Increase (decrease) in accounts payable and accrued liabilities	(147,854)	294,902
Increase in compensated absences	3,395	12,282
Increase in customer deposits	54,253	65,405
<b>Total adjustments</b>	<u>2,288,204</u>	<u>2,418,234</u>
Net cash provided by operating activities	<u>\$ 5,385,172</u>	<u>\$ 5,479,521</u>
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Contributions of capital assets from developers	<u>\$ 391,870</u>	<u>\$ 1,018,773</u>
Reconciliation of total cash to the statement of net assets:		
Cash and cash equivalents - current	\$ 4,889,635	\$ 3,816,171
Restricted cash and cash equivalents	5,079,349	7,642,544
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 9,968,984</u>	<u>\$ 11,458,715</u>

## INTERNAL SERVICE FUND

The Internal Service Fund is used to account for financing of services provided by one department to other departments of the City on a cost-reimbursement basis.

**The Fleet Services Fund** - accounts for the costs associated with the acquisition of vehicles through the rental of such vehicles to other departments.

## EXHIBIT E-1

**CITY OF THE COLONY, TEXAS  
FLEET SERVICES INTERNAL SERVICE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 190,895	\$ 131,522
Investments	-	6,896
Inventories	146,819	110,342
Miscellaneous receivables	2,197	-
<b>Total current assets</b>	339,911	248,760
<b>CAPITAL ASSETS</b>		
Machinery and equipment	153,127	157,692
<b>Total capital assets</b>	153,127	157,692
Less: accumulated depreciation	(120,663)	(149,713)
Capital assets, net of accumulated depreciation	32,464	7,979
<b>TOTAL ASSETS</b>	\$ 372,375	\$ 256,739
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 54,881	\$ 48,339
Current portion of compensated absences	42,381	46,607
<b>Total current liabilities</b>	97,262	94,946
<b>NET ASSETS</b>		
Invested in capital, net of related debt	32,464	7,979
Unrestricted	242,649	153,814
<b>TOTAL NET ASSETS</b>	\$ 275,113	\$ 161,793

**CITY OF THE COLONY, TEXAS  
FLEET SERVICES INTERNAL SERVICE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services:		
Service charges	\$ 797,119	\$ 696,836
Miscellaneous	23,460	54,221
<b>Total operating revenues</b>	<u>820,579</u>	<u>751,057</u>
<b>OPERATING EXPENSES:</b>		
Personnel services	428,612	374,004
Contractual services	10,687	10,759
Supplies	109,520	143,617
Maintenance	183,913	187,559
Depreciation	3,521	2,587
<b>Total operating expenses</b>	<u>736,253</u>	<u>718,526</u>
<b>OPERATING INCOME</b>	<u>84,326</u>	<u>32,531</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income	988	2,824
<b>Total non-operating revenues</b>	<u>988</u>	<u>2,824</u>
<b>INCOME BEFORE TRANSFERS</b>	<u>85,314</u>	<u>35,355</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>		
Capital contributions		
Transfers from other funds	28,006	-
<b>Total capital contributions and transfers</b>	<u>28,006</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	113,320	35,355
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>161,793</u>	<u>126,438</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 275,113</u></u>	<u><u>\$ 161,793</u></u>

## EXHIBIT E-3

**CITY OF THE COLONY, TEXAS  
FLEET SERVICES INTERNAL SERVICE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from transactions with other funds	\$ 797,119	\$ 696,836
Cash received from other sources	21,263	54,254
Cash paid to employees for services	(432,838)	(375,696)
Cash paid for goods and services	<u>(334,055)</u>	<u>(343,220)</u>
<b>Net cash provided by operating activities</b>	<u>51,489</u>	<u>32,174</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	6,896	(1,579)
Interest on investments	<u>988</u>	<u>2,824</u>
<b>Net cash provided by investing activities</b>	<u>7,884</u>	<u>1,245</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	59,373	33,419
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>131,522</u>	<u>98,103</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 190,895</u>	<u>\$ 131,522</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Net operating income	<u>\$ 84,326</u>	<u>\$ 32,531</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Change in assets and liabilities:		
Depreciation	3,521	2,587
(Increase)/Decrease in accounts receivable	(2,197)	33
(Increase) in inventories	(36,477)	(11,693)
Increase in accounts payable	6,542	10,408
Decrease in compensated absences	<u>(4,226)</u>	<u>(1,692)</u>
<b>Total adjustments</b>	<u>(32,837)</u>	<u>(357)</u>
<b>Net cash provided by operating activities</b>	<u>\$ 51,489</u>	<u>\$ 32,174</u>

## **DISCRETELY PRESENTED COMPONENT UNITS**

**The Colony Economic Development Corporation (TCEDC)** – TCEDC is a legally separate entity from the City and was organized exclusively for the public purposes of the promotion and development of new and expanded business enterprises to provide and encourage employment in the furtherance of public welfare.

**The Colony Community Development Corporation (TCCDC)** – TCCDC is a legally separate entity from the City and was organized for the purpose of the promotion of economic development by developing, implementing, providing and financing projects under the Development Corporation Act of 1979.

**CITY OF THE COLONY, TEXAS  
THE COLONY ECONOMIC DEVELOPMENT CORPORATION  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 4,968,293	\$ 4,791,188
Investments	-	1,313,143
Sales tax receivable	264,645	263,319
<b>Total current assets</b>	<b>5,232,938</b>	<b>6,367,650</b>
 <b>TOTAL ASSETS</b>	 <b>\$ 5,232,938</b>	 <b>\$ 6,367,650</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 84,651	\$ 57,439
<b>Total current liabilities</b>	<b>84,651</b>	<b>57,439</b>
 <b>TOTAL LIABILITIES</b>	 <b>84,651</b>	 <b>57,439</b>
 <b>FUND BALANCES</b>		
Unrestricted	5,148,287	6,310,211
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	 <b>\$ 5,232,938</b>	 <b>\$ 6,367,650</b>

**CITY OF THE COLONY, TEXAS  
THE COLONY ECONOMIC DEVELOPMENT CORPORATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2009**

Total fund balances - governmental funds	\$ 5,148,287
Amounts reported for governmental activities in the statement of net assets are different because:	
Costs associated with the issuance of governmental long term debt are expensed when incurred in the fund statements and capitalized and amortized over the life of the debt in the government-wide financial statements. This amount represents the unamortized portion of bond issue costs.	57,212
Interest payable on long term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet.	(14,391)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the fund financial statements.	(2,940,241)
Net assets of governmental activities	<u><u>\$ 2,250,867</u></u>

**CITY OF THE COLONY, TEXAS  
THE COLONY ECONOMIC DEVELOPMENT CORPORATION  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	<b>2009</b>	<b>2008</b>
<b>REVENUES</b>		
Municipal sales tax	\$ 1,496,624	\$ 1,476,096
Interest earned	84,970	183,786
Miscellaneous	33	-
	<b>1,581,627</b>	<b>1,659,882</b>
<b>EXPENDITURES</b>		
Current		
Economic Development	2,743,551	785,628
	<b>2,743,551</b>	<b>785,628</b>
Excess (deficiency) of revenues over (under) expenditures	(1,161,924)	874,254
<b>NET CHANGE IN FUND BALANCES</b>	(1,161,924)	874,254
<b>FUND BALANCES, BEGINNING OF YEAR</b>	6,310,211	5,435,957
<b>FUND BALANCES, END OF YEAR</b>	\$ 5,148,287	\$ 6,310,211

**CITY OF THE COLONY, TEXAS  
 THE COLONY ECONOMIC DEVELOPMENT CORPORATION  
 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**

Net change in fund balances - total governmental funds	\$ (1,161,924)
Amounts reported for governmental activities in the statement of activities are different because:	
Current year amortization of the costs of bond issuance and premiums on debt issuance costs do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	1,209
Current year changes in accrued compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	23,555
Current year principal payments on long-term debt are recorded as expenditures in the fund financial statements, but are reflected as reductions in the liability for long-term debt in the government-wide financial statements.	1,179
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	1,872
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Change in Net Assets of Governmental activities	<u><u>\$ (1,134,109)</u></u>

**CITY OF THE COLONY, TEXAS  
THE COLONY COMMUNITY DEVELOPMENT CORPORATION  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 959,608	\$ 773,123
Investments	-	341,144
Sales tax receivable	264,645	263,319
<b>Total current assets</b>	<b>1,224,253</b>	<b>1,377,586</b>
 <b>TOTAL ASSETS</b>	 <b>\$ 1,224,253</b>	 <b>\$ 1,377,586</b>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 9,010	\$ 6,921
<b>Total current liabilities</b>	<b>9,010</b>	<b>6,921</b>
 <b>TOTAL LIABILITIES</b>	 <b>9,010</b>	 <b>6,921</b>
 <b>FUND BALANCE</b>		
Unrestricted	1,215,243	1,370,665
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	 <b>\$ 1,224,253</b>	 <b>\$ 1,377,586</b>

**CITY OF THE COLONY, TEXAS  
THE COLONY COMMUNITY DEVELOPMENT CORPORATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2009**

Total fund balances - governmental funds	\$ 1,215,243
Amounts reported for governmental activities in the statement of net assets are different because:	
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the fund financial statements.	(2,748)
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Net assets of governmental activities	<u><u>\$ 1,212,495</u></u>

**CITY OF THE COLONY, TEXAS  
 THE COLONY COMMUNITY DEVELOPMENT CORPORATION  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Municipal sales tax	\$ 1,496,653	\$ 1,476,096
Interest earned	21,601	60,926
<b>Total revenues</b>	<u>1,518,254</u>	<u>1,537,022</u>
<b>EXPENDITURES</b>		
Current		
Economic Development	<u>1,673,676</u>	<u>1,854,718</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(155,422)</u>	<u>(317,696)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(155,422)</u>	<u>(317,696)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,370,665</u>	<u>1,688,361</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,215,243</u>	<u>\$ 1,370,665</u>

**CITY OF THE COLONY, TEXAS**  
**THE COLONY COMMUNITY DEVELOPMENT CORPORATION**  
**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**

Net change in fund balances - total governmental funds	\$ (155,422)
Amounts reported for governmental activities in the statement of activities are different because:	
Current year changes in accrued compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(1,326)
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Change in Net Assets of Governmental activities	<u><u>\$ (156,748)</u></u>

