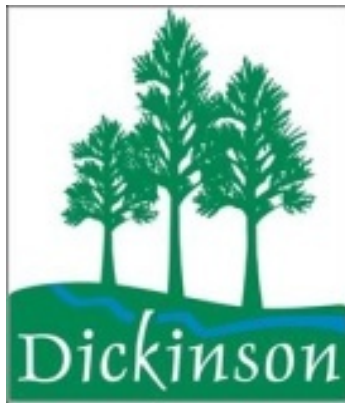


CITY OF DICKINSON, TEXAS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Fiscal Year Ended
September 30, 2008**

CITY OF DICKINSON, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

	<u>Page</u>
Introductory Section	
Principal Officials	i
Organization Chart	iii
Financial Section	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	19
Statement of Net Assets - Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	21
Statement of Cash Flows - Proprietary Funds	22
Combining Statement of Net Assets - Discretely Presented Component Units	23
Combining Statement of Activities - Discretely Presented Component Units	24
Notes to Financial Statements	25
Required Supplementary Information:	
General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	49
Notes To Required Supplementary Budget Information	52
Required Pension System Supplementary Information	53

CITY OF DICKINSON, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

Financial Section (Continued)

Other Supplementary Information

Combining and Individual Fund Statements and Schedules

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:

Debt Service Fund	57
Capital Projects Fund	58

Discretely Presented Component Unit Fund Based Financial Statements

Balance Sheets - Governmental Funds	61
Schedules of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	62

Unaudited Statistical Section

Net Assets by Component	65
Changes in Net Assets	66
Fund Balances of Governmental Funds	69
Changes in Fund Balances of Governmental Funds	70
Assessed Value and Estimated Actual Value of Taxable Property	73
Property Tax Levies and Collections	74
Principal Property Taxpayers	75
Taxable Sales by Category	76
Ratios of General Bonded Debt to Assessed Value and Net Bonded Debt per Capita	77
Demographic and Economic Statistics	78
Full-time Equivalent City Government Employees by Function/Program	80

Introductory Section

CITY OF DICKINSON, TEXAS
PRINCIPAL OFFICIALS



Charles Suderman, Walter Wilson, Kerry Neves, Louis Decker, William King, III,
 Mary Dunbaugh, Mayor Julie Masters, City Administrator Julie Johnston,

City Council

Julie Masters	Mayor
Charles Suderman	Position No. 1
Mary Dunbaugh	Position No. 2
Walter Wilson	Position No. 3
Kerry Neves	Position No. 4
Louis Decker	Position No. 5
William King, III	Position No. 6 (Mayor Pro Tem)

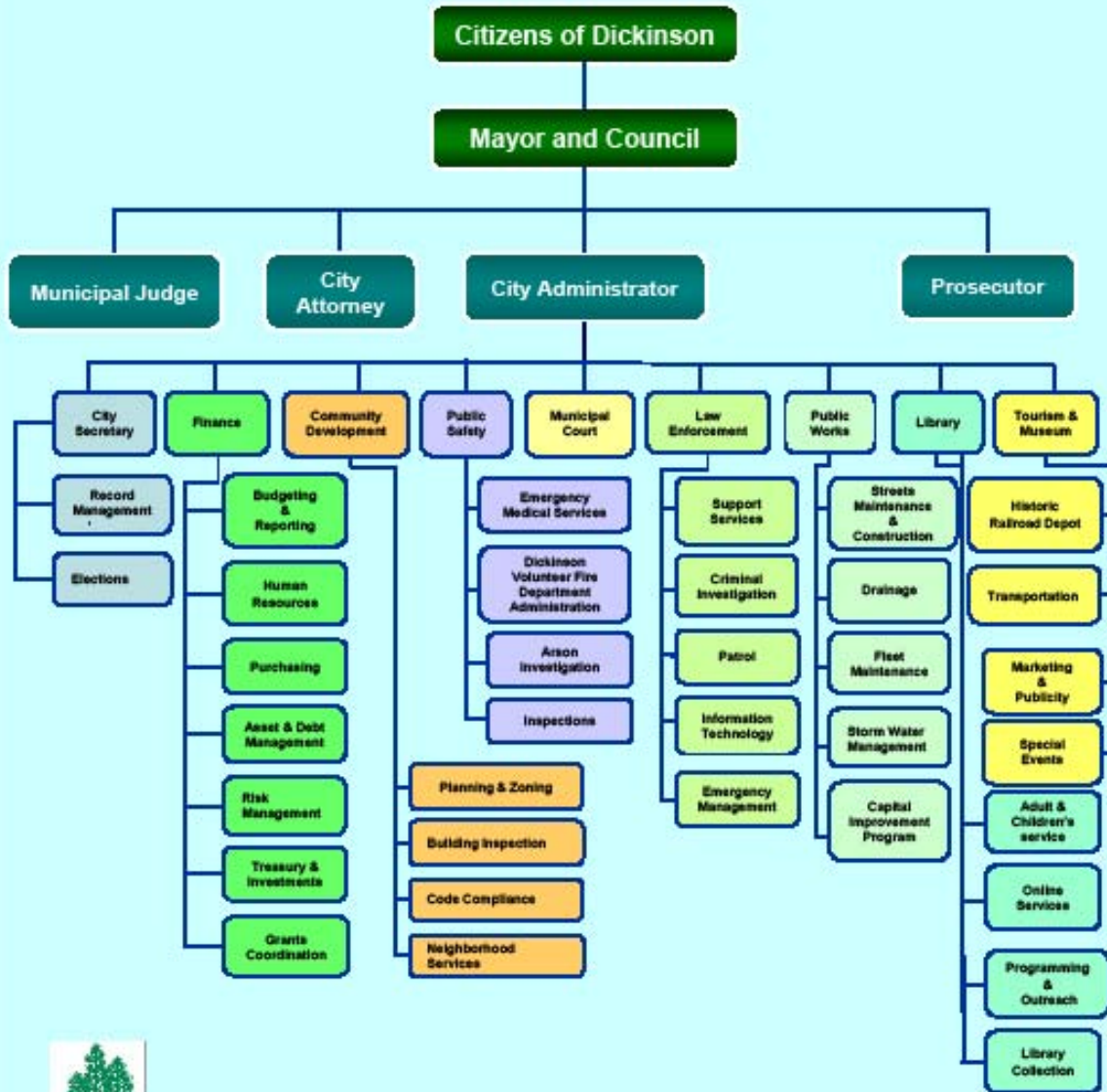
CITY OF DICKINSON, TEXAS
PRINCIPAL OFFICIALS

<i>Elected Officials</i>	<i>Position</i>	<i>Term Expires May</i>
Julie Masters	Mayor	2011
Charles Suderman	Council Member at Large - Position 1	2011
Mary Dunbaugh	Council Member at Large - Position 2	2010
Walter Wilson	Council Member at Large - Position 3	2011
Kerry Neves	Council Member at Large - Position 4	2010
Louis Decker	Council Member at Large - Position 5	2011
William King, III	Council Member at Large - Position 6 /Mayor Pro Tem	2010

<i>Appointed Officials</i>	<i>Position</i>
Julie M. Johnston	City Administrator
Loren Smith	City Attorney
Richard Cope	Municipal Court Judge

<i>City Management</i>	<i>Position</i>
Mary F. Young	Director of Finance
Norman Hicks	Director of Fire Services/Fire Marshall
Kevin Byal	Building Inspector
Irma Rivera	Municipal Court Administrator
Kellis George	Director of Public Works
Ron Morales	Chief of Police
Vickie McAllister	Librarian
Angela Forbes	Museum & Tourism

City of Dickinson Organization Chart



(This page intentionally left blank)

Financial Section

(This page intentionally left blank)



Independent Auditors' Report

To the Honorable Mayor and Members of
the City Council
City of Dickinson, Texas

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 Dickinson, Texas, (the "City") as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dickinson, Texas, as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, budgetary comparison information, and Required Pension System Supplementary Information as listed in the table of contents are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

To the Honorable Mayor and Members of
the City Council
City of Dickinson, Texas
Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dickinson, Texas' basic financial statements. The component unit fund financial statements and the Debt Service and Capital Projects Funds Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The statistical section is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on it.

Null-Lairson, PC

Houston, Texas
May 31, 2009

CITY OF DICKINSON, TEXAS

Management's Discussion and Analysis

As management of the City of Dickinson, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2008.

Financial Highlights

- The assets of the primary government of the City of Dickinson exceeded its liabilities as of September 30, 2008, by \$25.1 million (net assets). Of this amount, \$3.3 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net assets increased by \$0.9 million.
- At the close of the current fiscal year, the City of Dickinson's governmental funds reported combined ending fund balances of \$10.5 million, a decrease of \$2.7 million in comparison with the prior year.
- As of September 30, 2008, the unreserved, undesignated fund balance for the General Fund was \$3.1 million or 26.5% of total General Fund expenditures.
- The City of Dickinson's General Obligation and Certificates of Obligation debt decreased to \$11.4 million, a net decrease of \$0.4 million over the previous year

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City'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 themselves.

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

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

The Statement of Activities presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Dickinson include general government, public safety, public works, community services and parks and recreation. The business-type activities of the City include emergency medical services.

CITY OF DICKINSON, TEXAS

Management's Discussion and Analysis (Continued)

The government-wide financial statements include not only the City of Dickinson, itself (known as the primary government), but also two legally separate entities, the Dickinson Economic Development Corp. and the Bayou Lakes Public Improvement District No. 1 for which the City of Dickinson is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government, itself.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City 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 statement focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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, Debt Service, Capital Projects and other funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Dickinson adopts an annual appropriated budget for its general, special revenue, and debt service funds. In compliance with governmental accounting standards, budgetary comparison statements have been provided for the general and special revenue funds to demonstrate compliance with the budget. These statements are included in required supplementary information. A budgetary comparison statement has been provided for the debt service fund as other supplementary information.

Proprietary Funds - The City maintains one type of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an Enterprise Fund to account for its Emergency Medical Services fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements provide separate information for the Emergency Medical Services fund.

CITY OF DICKINSON, TEXAS

Management's Discussion and Analysis (Continued)

Combining Component Unit Financial Statements - The City's two discretely presented component units shown in aggregate on the face of the government-wide financial statements have individual information for each of the discretely presented component units presented in the form of combining statements immediately following the fund financial statements of the primary government.

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 immediately following combining statements of the component units.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents other required supplementary information as well as combining and individual fund statements and schedules that further support the information in the financial statements. This information is presented immediately following the notes to the financial statements.

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, assets exceeded liabilities by \$25.1 million at the close of the most recent fiscal year.

The largest portion of the City's net assets (59 percent) 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.

The following comparative schedule of net assets present information for the City's governmental and business-type activities:

COMPARATIVE SCHEDULE OF NET ASSETS

September 30, 2008 and 2007

Amounts in (000's)

	Governmental Activities		Business-type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 15,364	\$ 23,191	\$ 153	\$ 135	\$ 15,517	\$ 23,326
Capital assets	26,131	19,048	56	79	26,187	19,127
Total Assets	41,495	42,239	209	214	41,704	42,453
Other liabilities	4,629	6,562	31	21	4,660	6,583
Long-term liabilities outstanding	11,894	11,918	42	61	11,936	11,979
Total Liabilities	16,523	18,480	73	82	16,596	18,562
Net assets:						
Invested in capital assets, nets of related debt	14,804	17,277	14	17	14,818	17,294
Restricted	7,024	2,727			7,024	2,727
Unrestricted	3,144	3,755	123	115	3,267	3,870
Total Net Assets	\$ 24,972	\$ 23,759	\$ 137	\$ 132	\$ 25,109	\$ 23,891

CITY OF DICKINSON, TEXAS

Management's Discussion and Analysis (Continued)

An additional portion of the City's net assets (28 percent) represent resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (13 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Following is a comparative schedule of changes in net assets for fiscal years 2008 and 2007:

COMPARATIVE SCHEDULE OF CHANGES IN NET ASSETS

For the Years Ended September 30, 2008 and 2007

Amounts in (000's)

	Governmental Activities		Business-type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues:						
Charges for services	\$ 2,450	\$ 2,497	\$ 370	\$ 458	\$ 2,820	\$ 2,955
Operating grants and contributions	1,200				1,200	
Capital grants and contributions						
Property taxes	3,198	2,830			3,198	2,830
Sales taxes	3,243	3,216			3,243	3,216
Franchise fees	878	917			878	917
Investment earnings	483	650	37		520	650
Unrestricted contributions	1,087					
Other	54	2,079			54	2,079
Total Revenues	12,593	12,189	407	458	13,000	12,313
Expenses						
General government	912	861			912	861
Public safety	5,131	3,684			5,131	3,684
Public works	2,331	2,153			2,331	2,153
Culture & recreation	293	256			293	256
Economic development	2,147	2,100			2,147	2,100
Community development	267	215			267	215
Interest expense	520	334			520	
Emergency Medical Services			521	472	521	472
Total Expenses	11,601	9,603	521	472	12,122	9,741
Increase (decrease) in net assets before transfers	992	2,586	(114)	(14)	878	2,572
Transfers in (out)	(119)	(11)	119	11		
Increase in net assets	873	2,575	5	(3)	878	2,572
Net assets, beginning of year	24,099	21,185	132	135	24,231	21,320
Net assets, end of year	\$ 24,972	\$ 23,759	\$ 137	\$ 132	\$ 25,109	\$ 23,891

CITY OF DICKINSON, TEXAS
Management's Discussion and Analysis (Continued)

Financial Analysis of the City's Funds

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

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

The City's governmental funds reflect a combined fund balance of \$10.5 million. Of this, \$3.5 million is unreserved and available for day-to-day operations of the City; \$7.0 million is reserved for debt service and various projects.

There was a decrease in the combined fund balance of \$2.7 million from the prior year. Individual components of the combined change are as follows:

	<u>2008</u>	<u>2007</u>	<u>Increase (Decrease)</u>
Fund balances:			
General fund	\$ 3.7	\$ 4.5	\$ (0.8)
Special revenue fund	0.2	0.2	0.0
Debt service fund	1.8	1.8	0.0
Capital projects fund	4.8	6.7	(1.9)
Total fund balances	<u>\$ 10.5</u>	<u>\$ 13.2</u>	<u>\$ (2.7)</u>

General Fund Budgetary Highlights

During the year, the general fund budget was amended as needed. Appropriations increased \$18,098 from the original to the final amended budget. Budget estimates for revenues and other sources increased by \$444,500 for the year as well to reflect the increases in revenues as projected during the 2008-2009 budget process.

Capital Assets and Debt Administration

Capital Assets - At the end of fiscal year 2008, the City's governmental activities and business-type activities had invested \$26.1 million and \$56.3 thousand, respectively, in a variety of capital assets and infrastructure, as reflected in the following schedule. This represents a net increase of \$3.2 million over the end of last fiscal year for the governmental activities capital assets.

	<i>(in '000s)</i>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$ 673	\$ 673	\$	\$	\$ 673	\$ 673
Construction in progress	3,138	3,244			3,138	3,244
Infrastructure	15,772	15,601			15,772	15,601
Buildings and improvements	5,162	2,153			5,162	2,153
Furniture and equipment	1,388	1,294	56	79	1,444	1,373
Total Capital Assets	<u>\$ 26,131</u>	<u>\$ 22,965</u>	<u>\$ 56</u>	<u>\$ 79</u>	<u>\$ 26,188</u>	<u>\$ 23,044</u>

CITY OF DICKINSON, TEXAS
Management's Discussion and Analysis (Continued)

Construction in progress at year-end represents the City Hall/Library construction.

Long-Term Debt - At the end of the current fiscal year, the City had total certificates of obligation and capital leases outstanding of \$11.7 million. Of this amount, \$11.4 million is certificates of obligation.

(in '000s)

	Governmental Activities		Business-Type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Certificates of obligation	\$ 11,415	\$ 11,825	\$	\$	\$ 11,415	\$ 11,825
Capital leases payable	307	64	42	62	349	125
Compensated absences	200	169			200	169
	<u>\$ 11,722</u>	<u>\$ 11,889</u>	<u>\$ 42</u>	<u>\$ 62</u>	<u>\$ 11,764</u>	<u>\$ 11,950</u>

Economic Factors and Next Year's Budget and Rates

The City's elected and appointed officials considered many factors when setting the Fiscal Year 2008-2009 budget and tax rates. One of those factors is the economy. Since approximately 31% of the City's operating budget revenue is derived from local property taxes, the local economy plays an important role in the preparation of the annual budget. The City's 2008 certified appraisal roll for Fiscal Year 2008-2009 is \$782,018,361, representing an increase of approximately 5% over the previous year. Despite an increase in assessed values, though, the City anticipates an increase in property tax revenues of only 2% for operating expenses. While new development is expected to continue, the City is concerned about anticipated reduced collection rates for property tax revenues as well as all other revenues resulting from the national economic recession and Hurricane Ike.

For Fiscal Year 2008-2009, the City faces significant challenges. Existing revenue sources are anticipated to be significantly reduced and therefore insufficient to meet the General Fund and EMS Enterprise Fund expenditures. Property tax valuations will increase modestly which will result in only a slight increase in property tax revenues. Building and development-related revenue, interest income, and court revenue will be significantly reduced as a result of the economic recession. The transfer into the General Fund from the Dickinson Economic Development Corporation will be reduced by more than 50% from Fiscal Year 2007-2008 due to a lack of projects that qualify for 4B funding.

After considering economic indicators and challenges in developing the budget, the City Council decided to maintain the current tax rate of \$0.4086 per \$100 valuation for Fiscal Year 2008-2009. The maintenance and operations tax rate is \$0.301458 (0.09% increase from Fiscal Year 2007-2008), and the debt service tax rate is \$0.107142 (0.26% less than Fiscal Year 2007-2008). The current debt service tax rate will be sufficient to meet the City's Fiscal Year 2008-2009 annual debt requirements of \$926,082. The City's adopted Fiscal Year 2008-2009 General Fund budget was \$7,733,764, representing a 10% decrease from the Fiscal Year 2007-2008 Adopted General Fund Budget.

As a result of the reductions in existing revenue sources and a desire on the part of the City Council not to utilize General Fund balance to the greatest extent possible, the City evaluated several new revenue sources to make up the deficit in funding. The most significant new revenue source is a new ½ cent sales tax to be levied by Dickinson Management District No. 1 ("DMD#1"), a legislatively-created governmental entity that has been activated by the City Council and authorized to levy a sales tax. For Fiscal Year 2007-2008, the City levied a sales tax of 7.75%. With the activation of DMD #1 and subsequent authorization for the DMD #1 to levy a ½ cent sales tax, the City of Dickinson began to levy a sales tax of 8.25% on January 1, 2009. Based on the Agreement for Services entered into by the City and DMD #1, the City is anticipated to receive approximately \$375,000 in new revenue.

CITY OF DICKINSON, TEXAS

Management's Discussion and Analysis (Continued)

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Administrator or Director of Finance at City of Dickinson, 4403 Highway 3, Dickinson, Texas 77539.

(This page intentionally left blank)

Basic Financial Statements

(This page intentionally left blank.)

CITY OF DICKINSON, TEXAS

STATEMENT OF NET ASSETS

September 30, 2008

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Units</u>
Assets				
Cash and cash equivalents	\$ 13,112,376	\$ 166,064	\$ 13,278,440	\$ 325,532
Investments	102,081		102,081	
Receivables, net of allowances for uncollectibles				
Property texas receivable	215,162	7,924	223,086	
Sales tax receivable	506,944		506,944	253,472
Due from other governments	989,230		989,230	1,460,362
Due from other funds (internal balances)	21,021	(21,021)		
Other receivables	328,524		328,524	
Deferred charges	87,864		87,864	
Capital assets not being depreciated				
Land and improvements	672,754		672,754	
Construction in progress	3,137,515		3,137,515	
Capital assets net of depreciation				
Buildings and improvements	5,161,960		5,161,960	
Vehicles	971,026	56,250	1,027,276	
Furniture and equipment	416,580		416,580	
Infrastructure	15,771,632		15,771,632	
Total capital assets	<u>26,131,467</u>	<u>56,250</u>	<u>26,187,717</u>	
Total assets	<u>41,494,669</u>	<u>209,217</u>	<u>41,703,886</u>	<u>2,039,366</u>
Liabilities				
Accounts payable and accrued expenses	3,127,678	30,537	3,158,215	14,424
Accrued interest payable	40,632		40,632	
Due to other governments	1,460,362		1,460,362	
Long-term liabilities				
Due within one year				
Certificates of obligation	435,000		435,000	
Capital leases	154,628	20,574	175,202	
Due in more than one year				
Certificates of obligation	10,980,000		10,980,000	
Capital leases	152,400	21,411	173,811	
Compensated absences	172,155		172,155	
Total liabilities	<u>16,522,855</u>	<u>72,522</u>	<u>16,595,377</u>	<u>14,424</u>
Net Assets				
Invested in capital assets net of related debt	14,804,331	14,265	14,818,596	
Restricted for:				
Construction projects	4,768,263		4,768,263	
Debt retirement	1,839,653		1,839,653	
Police programs	109,888		109,888	
Court programs	76,438		76,438	
Drilling reserve	104,792		104,792	
Library programs	124,381		124,381	
Economic development				2,024,942
Unrestricted	3,144,068	122,430	3,266,498	
Total net assets	<u>\$ 24,971,814</u>	<u>136,695</u>	<u>\$ 25,108,509</u>	<u>\$ 2,024,942</u>

See notes to financial statements.

CITY OF DICKINSON, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2008

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental Activities				
General government	\$ 912,219	\$ 3,835	\$	\$
Public safety	5,130,525	724,145	1,037,413	
Public works	2,331,327	1,293,707		
Culture and recreation	293,148	40,354		
Economic Development	2,147,165			
Community development	266,600	387,715		
Interest expense	519,934		163,015	
Total governmental activities	11,600,918	2,449,756	1,200,428	
Business-type activities				
Emergency Medical Services	521,179	369,966	37,262	
Total business-type activities	521,179	369,966	37,262	
Total primary government	\$ 12,122,097	\$ 2,819,722	\$ 1,237,690	\$
Component Units				
Dickinson Economic Development Corp.	1,382,967	15,063		
Bayou Lakes Public Imp. Dist. No. 1	95,858	90,831		
Total component units	\$ 1,478,825	\$ 105,894	\$	\$

General revenues:

Taxes:

Property taxes

Sales and use taxes

Other taxes

Franchise fees

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Miscellaneous

Special item - gain (loss) on sale of asset

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning, as originally stated

Prior period adjustments

Net assets - beginning, as restated

Net assets - ending

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Assets

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (908,384)		\$ (908,384)	
(3,368,967)		(3,368,967)	
(1,037,620)		(1,037,620)	
(252,794)		(252,794)	
(2,147,165)		(2,147,165)	
121,115		121,115	
(356,919)		(356,919)	
<u>(7,950,734)</u>		<u>(7,950,734)</u>	
	(113,951)	(113,951)	
	(113,951)	(113,951)	
<u>(7,950,734)</u>	<u>(113,951)</u>	<u>(8,064,685)</u>	
			\$ (1,367,904)
			(5,027)
			<u>(1,372,931)</u>
3,198,206		3,198,206	
3,242,785		3,242,785	1,621,393
91,179		91,179	
877,667		877,667	
1,086,801		1,086,801	
483,972		483,972	36
(9,997)		(9,997)	
(28,488)		(28,488)	
(118,824)	118,824		
<u>8,823,301</u>	<u>118,824</u>	<u>8,942,125</u>	<u>1,621,429</u>
<u>872,567</u>	<u>4,873</u>	<u>877,440</u>	<u>248,498</u>
23,759,333	131,822	23,891,155	1,812,406
339,914		339,914	(35,962)
<u>24,099,247</u>	<u>131,822</u>	<u>24,231,069</u>	<u>1,776,444</u>
<u>\$ 24,971,814</u>	<u>\$ 136,695</u>	<u>\$ 25,108,509</u>	<u>\$ 2,024,942</u>

CITY OF DICKINSON, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2008

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 4,613,509	\$ 192,125	\$ 1,025,372	\$ 7,281,370	\$ 13,112,376
Investments				102,081	102,081
Property taxes receivable, net	164,001		51,161		215,162
Sales and use taxes receivable	506,944				506,944
Due from other funds	1,166,463		728,459		1,894,922
Due from other governments	989,177				989,177
Other receivables	241,612		75,293	11,672	328,577
Total assets	\$ 7,681,706	\$ 192,125	\$ 1,880,285	\$ 7,395,123	\$ 17,149,239
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 1,639,893	\$ 5,799	\$	\$ 1,481,418	\$ 3,127,110
Due to other funds	728,459			1,145,442	1,873,901
Due to other governments	1,460,362				1,460,362
Deferred revenue	154,849		48,054		202,903
Accrued expenditures	568				568
Total liabilities	3,984,131	5,799	48,054	2,626,860	6,664,844
Fund balances					
Reserved					
Retirement of debt			1,832,231		1,832,231
Construction				4,768,263	4,768,263
Police		70,902			70,902
Court Security		17,162			17,162
Court Technology		52,155			52,155
Court Efficiency		7,121			7,121
Child Safety		40,749			40,749
Step Grant		(1,763)			(1,763)
Drilling bonds	104,792				104,792
Library	124,381				124,381
Unreserved					
Designated					
Disaster reserve	227,382				227,382
Bayou Festival	2,883				2,883
Tree replacement	135,885				135,885
Vehicle replacement	30,216				30,216
Undesignated	3,072,036				3,072,036
Total fund balances	3,697,575	186,326	1,832,231	4,768,263	10,484,395
Total liabilities and fund balances	\$ 7,681,706	\$ 192,125	\$ 1,880,285	\$ 7,395,123	\$ 17,149,239

See notes to financial statements.

CITY OF DICKINSON, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
September 30, 2008

Total fund balance, governmental funds \$ 10,484,395

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets. 26,131,467

Deferred bond issuance costs 87,864

Property taxes receivable are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets. 202,903

Some liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.

Bonds and capital leases payable (307,028)

Compensated absences (172,155)

Accrued interest governmental activity debt (40,632)

Certificates of obligation (11,415,000)

Net Assets of Governmental Activities in the Statement of Net Assets \$ 24,971,814

See notes to financial statements.

CITY OF DICKINSON, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2008

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues					
Property taxes for general purposes	\$ 2,209,417	\$	\$	\$	\$ 2,209,417
Property taxes for specific purposes			785,886		785,886
General sales tax	3,242,785				3,242,785
Franchise fees	877,667				877,667
Other taxes	91,179				91,179
Licenses and permits	251,643				251,643
Intergovernmental	2,246,576	23,324	163,015	23,344	2,456,259
Charges for services	951,175				951,175
Drainage fees	342,771				342,771
Fines and fees	705,489	42,268			747,757
Investment earnings	215,019	2,082	1,434	265,437	483,972
Miscellaneous revenue	(7,897)	40			(7,857)
Total Revenues	<u>11,125,824</u>	<u>67,714</u>	<u>950,335</u>	<u>288,781</u>	<u>12,432,654</u>
Expenditures					
Current					
General government	905,833				905,833
Public safety	4,791,743	57,258			4,849,001
Public works	1,717,574				1,717,574
Culture and recreation	285,648				285,648
Community development	266,600				266,600
Economic development	2,147,165				2,147,165
Capital outlay	1,258,702			2,856,866	4,115,568
Debt service:					
Principal retirement	214,106		439,000		653,106
Interest and fiscal charges	2,022		509,216		511,238
Other debt service			1,675		1,675
Total Expenditures	<u>11,589,393</u>	<u>57,258</u>	<u>949,891</u>	<u>2,856,866</u>	<u>15,453,408</u>
Excess (deficiency) of revenues over expenditures	<u>(463,569)</u>	<u>10,456</u>	<u>444</u>	<u>(2,568,085)</u>	<u>(3,020,754)</u>
Other Financing Sources (Uses)					
Proceeds from long-term debt, net	457,400				457,400
Transfers in		5,831		650,254	656,085
Transfers out	(774,909)				(774,909)
Total other financing sources (uses)	<u>(317,509)</u>	<u>5,831</u>		<u>650,254</u>	<u>338,576</u>
Net change in fund balances	<u>(781,078)</u>	<u>16,287</u>	<u>444</u>	<u>(1,917,831)</u>	<u>(2,682,178)</u>
Fund balances - beginning, as originally stated					
	4,191,074	170,039	1,831,787	6,686,094	12,878,994
Prior period adjustments	287,579				287,579
Fund balances - beginning, as restated	<u>4,478,653</u>	<u>170,039</u>	<u>1,831,787</u>	<u>6,686,094</u>	<u>13,166,573</u>
Fund balances - ending	<u>\$ 3,697,575</u>	<u>\$ 186,326</u>	<u>\$ 1,832,231</u>	<u>\$ 4,768,263</u>	<u>\$ 10,484,395</u>

See notes to financial statements.

CITY OF DICKINSON, 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, 2008

Net change in fund balances \$ (2,682,178)

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital outlay	4,115,568
Depreciation expense	(908,402)
Loss on sale of assets	(28,488)
Proceeds from sale of assets	(14,760)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.

202,142

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.

Principal retirement on debt	653,106
Proceeds from debt issuance	(457,400)

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Accrued interest not reflected in Governmental funds	2,742
Amortization of bond issuance costs	(9,763)

Change in net assets of governmental activities \$ 872,567

CITY OF DICKINSON, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2008

	Emergency Medical Services Fund
	<u> </u>
Assets	
Current	
Cash and cash equivalents	\$ 166,064
Customer account receivables	7,924
Non-current assets	
Equipment under capital lease	112,500
Less accumulated depreciation	(56,250)
Total Assets	<u> 230,238</u>
Liabilities	
Current	
Accounts payable	25,804
Accrued wages payable	4,733
Due to other funds	21,021
Non-current	
Capital lease payable, due within one year	20,574
Capital lease payable, due after one year	21,411
Total liabilities	<u> 93,543</u>
Net Assets	
Unrestricted	136,695
Total net assets	<u><u> \$ 136,695</u></u>

See notes to financial statements.

CITY OF DICKINSON, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET
ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2008

	Emergency Medical Services Fund
Operating Revenues	
Charges for services	\$ 327,572
Misc. operating revenues	42,394
Operating grants and contributions	37,262
<i>Total operating revenues</i>	<u>407,228</u>
Operating Expenses	
Personnel services	345,430
Supplies and materials	59,092
Contractual and professional services	42,791
Repairs and maintenance	8,363
Other operating expenses	35,388
Insurance claims and expenses	5,327
Depreciation	22,500
<i>Total operating expenses</i>	<u>518,891</u>
<i>Operating income (loss)</i>	(111,663)
Non-operating revenue (expenses)	
Interest expense	(2,288)
<i>Total non-operating revenue (expenses)</i>	<u>(2,288)</u>
Income (loss) before transfers	(113,951)
Transfers in	<u>118,824</u>
Change in net assets	4,873
<i>Total net assets, beginning</i>	<u>131,822</u>
<i>Total net assets, ending</i>	<u>\$ 136,695</u>

See notes to financial statements.

CITY OF DICKINSON, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2008

	Emergency Medical Services Fund
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 419,510
Disbursed for personnel services	(349,223)
Disbursed for goods and services	(136,815)
<i>Net cash provided (used) by operating activities</i>	<u>(66,528)</u>
Cash Flows from Noncapital Financing Activities	
Transfers from other funds	139,845
<i>Net cash provided by (used by) noncapital financing activities</i>	<u>139,845</u>
Cash Flows from Capital and Related Financing Activities	
Principal payments on debt	(19,770)
Interest paid	(2,288)
<i>Net cash used by capital and related financing activities</i>	<u>(22,058)</u>
Net increase (decrease) in cash and equivalents	51,259
<i>Cash and equivalents, beginning of year</i>	114,805
<i>Cash and equivalents, end of year</i>	<u>\$ 166,064</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income (loss)	\$ (111,663)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	22,500
(Increase) decrease in accounts receivable	12,282
Increase (decrease) in accounts payable	14,146
Increase (decrease) in salaries payable	(3,793)
<i>Net cash provided by operating activities</i>	<u>\$ (66,528)</u>

See notes to financial statements.

CITY OF DICKINSON, TEXAS**STATEMENT OF NET ASSETS - GOVERNMENTAL FUNDS****DISCRETELY PRESENTED COMPONENT UNITS***September 30, 2008*

	Dickinson Economic Development Corporation	Bayou Lakes Public Improvement District No. 1	Total Component Units
Assets			
Cash and Cash Equivalents	\$ 320,725	\$ 4,807	\$ 325,532
Sales and use taxes receivable	253,472		253,472
Due From Other Governments	1,460,362		1,460,362
Total assets	2,034,559	4,807	2,039,366
Liabilities			
Accounts Payable	12,994	1,430	14,424
Due to Other Governments			
Total liabilities	12,994	1,430	14,424
Net Assets			
Component units	2,021,565	3,377	2,024,942
Total net assets	\$ 2,021,565	\$ 3,377	\$ 2,024,942

See notes to financial statements.

CITY OF DICKINSON, TEXAS
STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended September 30, 2008

	Dickinson Economic Development Corporation	Bayou Lakes Public Improvement District No. 1	Total Component Units
Revenues			
Property Taxes for Specific Purposes	\$ 555,858	\$	\$ 555,858
Special Sales Tax	1,065,535		1,065,535
Investment Earnings		36	36
Miscellaneous Revenue	15,063	90,831	105,894
Total revenues	<u>1,636,456</u>	<u>90,867</u>	<u>1,727,323</u>
Expenses			
General Government		95,858	95,858
Economic Development	1,382,967		1,382,967
Total expenses	<u>1,382,967</u>	<u>95,858</u>	<u>1,478,825</u>
Change in net assets	253,489	(4,991)	248,498
Net assets - beginning, as originally stated	1,804,038	8,368	1,812,406
Prior period adjustments	(35,962)		(35,962)
Net assets - beginning, as restated	<u>1,768,076</u>	<u>8,368</u>	<u>1,776,444</u>
Net assets - ending	<u>\$ 2,021,565</u>	<u>\$ 3,377</u>	<u>\$ 2,024,942</u>

See notes to financial statements.

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The Village of Dickinson, Texas was incorporated by virtue of an election on August 13, 1977. The Village of Dickinson, Texas became the City of Dickinson, Texas, (the "City") on December 14, 1982. The City's charter, as amended, provides for a Council-Mayor form of government. The services authorized by charter include police and emergency medical, drainage, sanitation, building and code inspection, planning, zoning, street repair and maintenance, and general administrative services. Fire protection is provided through a volunteer department. The City is governed by an elected mayor and six-member Council.

The Mayor and all members are elected at large. The Mayor is allowed to vote only in case of a tie vote. The Mayor and each Council member hold office for a period of three years and until his/her successor is elected and qualified. The City Administrator is appointed by Council and is responsible for implementation of Council policy, execution of the laws, and all day-to-day operations of the City.

A. Financial Reporting Entity

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by accounting principles generally accepted in the United States of America, these financial statements have been prepared based on considerations regarding the potential for inclusion of component units, which are other entities or organizations that are financially accountable to the City. Discretely presented component units, are reported in a separate column in the government-wide statements to emphasize that they are legally separate from the primary government. Based on these considerations, the City's financial statements include the following discretely presented component units: the Dickinson Economic Development Corporation and the Bayou Lakes Public Improvement district No. 1. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are: that it has a separately elected Governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include: considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Discretely Presented Component Units:

Dickinson Economic Development Corporation (DEDC)

The Dickinson Economic Development Corporation is a not-for-profit corporation established for the specific public purpose of economic development with the City through the use of dedicated sales tax revenues. The members of the DEDC are approved by City Council as is the annual budget.

Bayou Lakes Public Improvement District No. 1 (BLPID#1)

Public Improvement District #1 is a development agreement with an owner of land in the city limits of Dickinson, Texas, subdivision of Bayou Lakes that promotes the interests of the City of Dickinson that has undertaken an improvement project that confers a special benefit on a definable part of the City. This improvement project includes: Landscaping, lighting and signs, construction and improvement of water, wastewater & drainage.

The City reimburses the Developer for the costs of creating and operating the PID #1 from assessments collected from homeowners. The City does charge the PID #1 a fee for administration and operating expenses and audit.

Complete financial statements of the individual component units can be obtained from the City's finance department.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Changes in Net Assets) report information about the City as a whole. These statements include all activities of the primary government and its component units. For the most part, the effect of interfund activity has been eliminated from the government-wide statements. Exceptions to this general rule are charges between the City's business-type and governmental funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The government-wide financial statements and all proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. With this measurement focus, all assets and all liabilities associated with the operations of these activities are included on the statements of net assets. Proprietary fund equity consists of retained earnings. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. Furniture and equipment capitalized in the Proprietary Fund Types are valued at cost.

The governmental fund financial statements are presented on a *current financial resources measurement focus* and *modified accrual basis of accounting*. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Measurable means that the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, sales and use taxes, franchise fees, charges for services and interest on temporary investments. Other receipts become measurable and available when cash is received by the government and are recognized as revenue at that time.

Under modified accrual accounting, expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for interest on general long-term debt, which is recognized when due. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile fund-based financial statements with the governmental column of the government-wide presentation.

In the fund financial statements, the accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Following is a description of the various funds:

Governmental funds are those funds through which most governmental functions are typically financed. The City reports the following major governmental funds:

The *General Fund* is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, administrative services, public works, community development, library, and public safety.

The *Special Revenue Fund* is used to account for proceeds from specific revenue sources which are restricted for special purposes. Management considers the Special Revenue Fund a major fund for reporting purposes.

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The *Debt Service Fund* is used to account for the payment of interest and principal on all general obligation bonds and other governmental long-term debt of the City. The primary source of revenue for debt service is local property taxes. The Debt Service Fund is considered a major fund for reporting purposes.

The *Capital Projects Fund* is used to account for the expenditures of resources accumulated from sales tax revenues and the sale of bonds and related interest earnings for capital improvement projects. The Capital Projects Fund is considered a major fund for reporting purposes.

The City's Business type activities consist of the following fund:

The *Enterprise Fund* is used to account for the operations that provide emergency medical services. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position and cash flows. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel and depreciation. In accordance with GASB Statement No. 20, the City has elected to follow GASB statements issued after November 30, 1989, rather than the Financial Accounting Standards Board, in accounting for enterprise funds.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenue. Likewise, general revenue includes all taxes.

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

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

D. Cash and Cash Equivalents

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. For the purpose of the statement of cash flows, the Proprietary Fund Types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and securities and disclosed as part of the City's investments.

E. Investments

Investments consist of deposits in money market mutual funds and local government investment pools. The City reports all investments at fair value based on quoted market prices at year-end date.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles.

G. Due to and Due from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which the transactions are executed. These receivables and payables are classified as "due from other funds" or "due to other funds." Interfund receivables and payables which are not expected to be paid within 12 months are classified as loans from/loans to other funds.

H. Capital Assets

Capital assets which include property, plant, equipment and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of three years or more. 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.

Property, plant, and equipment are depreciated using the straight-line method over the following useful lives:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	40
Furniture & fixtures	3-20
Machinery & equipment	5-20
Vehicles	5
Streets & sidewalks	30

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

I. Compensated Absences

Employees earn vacation benefits based on years of service with the City. Employees are paid unused vacation time upon termination. The liability for compensated absences is recorded in the accompanying Statement of Net Assets unless such benefits related to employees who have terminated employment with the City, in which case the liability is recorded in the applicable fund basis statements.

J. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

K. Budget

In compliance with governmental accounting principles, the City Council annually adopts appropriated budgets for the general, special revenue, debt service, and enterprise funds. The budget is amended during the year as needed.

L. Restricted and Unrestricted Resources

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

M. Fund Equity

In the fund financial statements, the City reserves or designates all or portions of fund equity in the various governmental fund financial statements. The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved net assets for proprietary funds represent the net assets available for future operations or distribution. Reserved net assets for proprietary funds represent the net assets that have been legally identified for specific purposes.

N. Post-employment Healthcare Benefits

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

O. Bond Discounts/Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized in the current period and are deferred and amortized in the government-wide statement of activities. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts and issuance costs are recorded as deferred charges.

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 2 - Deposits (Cash) and Investments

Authorization for Deposits and Investments

The Texas Public Funds Investment Act (PFIA), as prescribed in Chapter 2256 of the Texas Government Code, regulates deposits and investment transactions of the City.

In accordance with applicable statutes, the City has a depository contract with an area bank (depository) providing for interest rates to be earned on deposited funds and for banking charges the City incurs for banking services received. The City may place funds with the depository in interest and non-interest bearing accounts. State law provides that collateral pledged as security for bank deposits must have a market value of not less than the amount of the deposits and must consist of: (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 and interest on which are unconditionally guaranteed or insured by the State of Texas; and/or (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 A or its equivalent. City policy requires the collateralization level to be at least 102% of market value of principal and accrued interest.

The City Council has adopted a written investment policy regarding the investment of City funds as required by the Public Funds Investment Act (Chapter 2256, Texas Government Code) (the "PFIA"). The investments of the City are in compliance with the City's investment policy, which complies with the PFIA. Authorized investments are as follows: U.S. agency obligations; certificates of deposit; fully collateralized direct repurchase agreements; money market mutual funds rated no lower than AAA; local investment pools rated no lower than AAA; and commercial paper with stated maturities of 270 day or fewer.

Deposit and Investment Amounts

The City's cash and investments are classified as: cash and cash equivalents, investments, and restricted cash and investments. The cash and cash equivalents include cash on hand, deposits with financial institutions, and short-term investments, which have maturities at purchase of less than three months. The short-term investments consist mainly of certificates of deposit.

The deposit and investment policies for the City's component units are substantially the same as the City.

Investments are recorded at cost which approximates fair value. The City invests in TexPool and TexStar, external investment pools that are not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of TexPool. Lehman Brothers and Federated Investors manage the daily operations of TexPool under a contract with the Comptroller. First Southwest Asset Management, Inc. and JPMorgan Chase manage the daily operations of TexStar. The fair value of the City's position in the pools approximates the value of pool shares.

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 2 - Deposits (Cash) And Investments (Continued)

The following schedule shows the City's recorded cash and investments at year-end:

	<u>Carrying Amount</u>	
	<u>Primary Government</u>	<u>Component Units</u>
Cash deposits (including money market accounts)	\$ 1,320,843	\$ 325,532
Temporary Investments:		
Money market mutual fund	551,525	
Certificate of deposit	428,423	
Public Funds Investment Pools:		
Texstar	1,783,008	
TexPool	9,194,035	
Investments:		
Municipal bonds	102,081	
	<u>\$ 13,379,915</u>	<u>\$ 325,532</u>

As of September 30, 2008, the City's deposits were entirely covered by federal depository insurance or by collateral held by the pledging institution's agent in the City's name.

Quoted market prices are the basis of the fair value for municipal securities. The amount of increase or decrease in the fair value of investments during the current year is included in the City's investment income. There were no unrealized gains or losses recognized during the 2008 fiscal year. The amount of investment earnings for the current year was as follows:

Interest income	\$ 483,972
Unrealized gain (loss) on temporary investments	
Investment earnings	<u>\$ 483,972</u>

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 2 - Deposits (Cash) and Investments (Continued)

Investment Risks:

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. At year-end, the City had the following investments subject to interest rate risk disclosure, under U.S. generally accepted accounting principles:

	Fair Value	Weighted Average Maturity (days)
Temporary Investments:		
Money market mutual fund	\$ 551,525	1
Certificates of deposit	428,423	120
Public Funds Investment Pools:		
Texstar	1,783,008	34
TexPool	9,194,035	42
Investments:		
Municipal bonds	102,081	245
	<u>\$ 12,059,072</u>	<u>43</u>
Portfolio weighted average maturity		<u><u>43</u></u>

The City measures interest rate risk using the weighted average maturity method for the portfolio. The City's investment policy specifies a maximum weighted average maturity of 180 days or less based on the stated maturity date for each investment in the portfolio.

To the extent possible, the City attempts to match investments with anticipated cash flow requirements. With limited exceptions, the City does not directly invest in securities with a stated maturity date more than one year from date of purchase. The settlement date is considered the date of purchase.

Concentration of Credit Risk

The City's investment policy allows that investment risks are controlled through portfolio diversification. The following table represents the diversification as of September 30, 2008:

Investment Type	Total Fair Value	Percentage of Total Portfolio
Money market mutual fund	\$ 551,525	5%
Certificates of deposit	428,423	4%
Authorized local government investment pools	10,977,043	91%
Municipal bonds	102,081	1%
Total	<u>\$ 12,059,072</u>	<u>100%</u>

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 2 - Deposits (Cash) and Investments (Continued)

Credit Risk

Balances in TexPool and TexStar, privately managed public funds investment pools, were rated AAAM by Standard & Poor's. The rating for the Tennessee Valley Authority municipal bonds was not available.

All credit ratings meet acceptable levels required by guidelines prescribed by both the PFIA and the City's investment policy. A public fund investment pool must be continuously rated no lower than AAA or AAAM or no lower than investment grade by at least one nationally recognized rating service and have a weighted average maturity no greater than 90 days. Investments with minimum required ratings do not qualify as authorized investments during the period the investment does not have the minimum rating.

Note 3 - Receivables

Receivables at September 30, 2008 consist of the following:

Primary Government:

Governmental Funds:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Receivables				
Property taxes	\$ 186,650	\$ 56,158	\$	\$ 242,808
Sales and other taxes	506,944			506,944
Other	241,612	75,293	11,672	328,577
Gross receivables	<u>935,206</u>	<u>131,451</u>	<u>11,672</u>	<u>1,078,329</u>
Allowance for uncollectibles	(22,649)	(4,997)		(27,646)
Net total receivables	<u><u>\$ 912,557</u></u>	<u><u>\$ 126,454</u></u>	<u><u>\$ 11,672</u></u>	<u><u>\$ 1,050,683</u></u>

Proprietary Funds:

	<u>Emergency Medical Services</u>	<u>Total</u>
Receivables		
Customer accounts	\$ 7,924	\$ 7,924
	<u><u>\$ 7,924</u></u>	<u><u>\$ 7,924</u></u>

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 3 - Receivables (Continued)

Component Units:

	Dickinson Economic Development Corporation	Total
Receivables		
Sales and other taxes	\$ 253,472	\$ 253,472
Total	\$ 253,472	\$ 253,472

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	Unavailable
Delinquent property taxes receivable - general fund	154,849
Delinquent property taxes receivable - debt service fund	48,054
Total Deferred Revenue for Governmental Funds	\$ 202,903

Property Taxes

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. The Galveston Central Appraisal District establishes appraised values. Taxes are levied by the City Council based on the appraised values and operating needs of the City. The City contracts billing and collection of tax levies with the Galveston County Tax Assessor-Collector.

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 4 - Capital Assets

A summary of changes in the primary government's capital assets for the year ended September 30, 2008, follows:

	Primary Government			Balance September 30, 2008
	Balance September 30, 2007	Increases	Reclassification/ (Decreases)	
Governmental Activities:				
Capital assets not being depreciated:				
Land and improvements	\$ 672,754	\$	\$	\$ 672,754
Construction In Progress	3,244,446	3,047,488	(3,154,419)	3,137,515
Total capital assets not being depreciated	3,917,200	3,047,488	(3,154,419)	3,810,269
Other capital assets:				
Buildings and Improvements	2,855,000		3,154,419	6,009,419
Vehicles	1,798,836	364,926	(161,018)	2,002,744
Furniture and Equipment	656,063			656,063
Infrastructure	27,430,870	703,154		28,134,024
Total other capital assets	32,740,769	1,068,080	2,993,401	36,802,250
Less accumulated depreciation for:				
Buildings and Improvements	701,989	145,470		847,459
Vehicles	969,895	183,967	(122,144)	1,031,718
Furniture and Equipment	190,851	48,632		239,483
Infrastructure	11,829,924	530,333	2,135	12,362,392
Total accumulated depreciation	13,692,659	908,402	(120,009)	14,481,052
Other capital assets, net	19,048,110	159,678	3,113,410	22,321,198
Totals	\$ 22,965,310	\$ 3,207,166	\$ (41,009)	\$ 26,131,467
	Balance September 30, 2007	Increases	Reclassification/ (Decreases)	Balance September 30, 2008
Business-type Activities:				
Other capital assets:				
Vehicles	\$ 112,500	\$	\$	\$ 112,500
Total other capital assets	112,500			112,500
Less accumulated depreciation for:				
Vehicles	33,750	22,500		56,250
Total accumulated depreciation	33,750	22,500		56,250
Totals	\$ 78,750	\$ (22,500)	\$	\$ 56,250

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 4 - Capital Assets (Continued)

Depreciation was charged to programs as follows:

General government	\$ 5,625
Public safety	281,524
Public works	613,753
Culture & recreation	7,500
Total Governmental Activity	\$ 908,402
Emergency Medical Services	\$ 22,500
Total Business-Type Activity	\$ 22,500

The City had an active construction project as of September 30, 2008. At year-end, the City's contractual commitment on the project was as follows:

<u>Project Description</u>	<u>Total In Progress</u>	<u>Remaining Commitment</u>
Construction of City Hall and Library	\$ 1,782,424	\$ 4,557,018

Note 5 - Long-Term Debt

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended September 30, 2008.

	<u>Balance September 30, 2007</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance September 30, 2008</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Certificates of obligation	\$ 11,825,000	\$	\$ 410,000	\$ 11,415,000	\$ 435,000
Deferred amount for issuance costs	(97,627)		(9,763)	(87,864)	154,628
Obligations under capital leases	63,734	457,400	214,105	307,029	
Compensated absences	169,155	208,323	177,605	199,873	
Total Governmental Activities	\$ 11,960,262	\$ 665,723	\$ 791,947	\$ 11,834,038	\$ 589,628

In general, the City uses the General and Debt Service funds to liquidate governmental long-term liabilities.

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

The full amount estimated to be required for debt service on general obligation debt is provided by (1) the debt service portion of the tax levy; (2) interest earned in the Debt Service Fund; and (3) operating transfers from the general that are approved at the discretion of City Council.

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 5 - Long-Term Debt (Continued)

The following is a summary of changes in the City's total business-type long-term liabilities for the year ended September 30, 2008:

	<u>Balance September 30, 2007</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance September 30, 2008</u>	<u>Amounts Due Within One Year</u>
Business-type Activities:					
Obligations under capital leases	\$ 61,755	\$	\$ 19,771	\$ 41,984	\$ 20,574
Total Business-type Activities	<u>\$ 61,755</u>	<u>\$</u>	<u>\$ 19,771</u>	<u>\$ 41,984</u>	<u>\$ 20,574</u>

General Obligation Bonds and Certificates of Obligation

The City issues general obligation bonds and certificates of obligation for governmental activities. The general long-term bonds and certificates of obligation are paid through the debt service fund from tax revenues.

	<u>Series 2000</u>	<u>Series 2006</u>	<u>Series 2007</u>
Amount outstanding - end of year	\$ 2,255,000	\$ 2,745,000	\$ 6,270,000
Interest rates	5.00% - 7.00%	3.90% - 5.00%	3.75% - 5.25%
Maturity dates - serially, beginning/ending	March 1 2008/2020	March 1 2008/2027	March 1 2008/2027
Interest payment dates	March 1/ September 1	March 1/ September 1	March 1/ September 1
Callable dates	March 1, 2010*	March 1, 2015*	March 1, 2015*

* At a price equal to principal to be redeemed plus accrued interest to redemption date. The Series 2006 certificates maturing March 1, 2018, 2021, 2024, and 2027 are term certificates and are subject to mandatory redemption beginning March 1, 2017, 2019, 2022, and 2025, respectively. The Series 2007 certificate maturing March 1, 2027 is a term certificate and is subject to mandatory redemption March 1, 2025.

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 5 - Long-Term Debt (Continued)

The following is a summary of changes in certificates of obligation payable for the year ended September 30, 2008:

Certificates of obligation payable, beginning of year	\$ 11,825,000
Additions	
Reductions	<u>(410,000)</u>
 Certificates of obligation payable, end of year	 <u><u>\$ 11,415,000</u></u>

Debt service requirements to maturity for certificates of obligation are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 435,000	\$ 487,581	\$ 922,581
2010	460,000	467,075	927,075
2011	485,000	446,200	931,200
2012	505,000	424,243	929,243
2013	535,000	400,980	935,980
2014-2018	3,145,000	1,576,809	4,721,809
2019-2023	3,190,000	841,130	4,031,130
2024-2027	2,660,000	221,421	2,881,421
	<u><u>\$ 11,415,000</u></u>	<u><u>\$ 4,865,439</u></u>	<u><u>\$ 16,280,439</u></u>

The certificates of obligation are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the City, without limitation as to rate or amount and are further payable from net revenues of the City's solid waste management system, not to exceed \$1,000.

A portion of the Series 2000 Certificates of Obligation is to be repaid by economic development sales taxes through the DEDC. During the fiscal year ending September 30, 2008, \$74,288 was remitted by the DEDC to the debt service fund.

Tax Anticipation Notes

In May, 2002, the City issued Tax Anticipation Notes Series 2002. The proceeds were used to purchase vehicles. The term is five years with an interest rate of 5.0%. On May 13, 2003, the City issued Tax Anticipation Notes Series 2003. The proceeds were used to purchase machinery and vehicles. The term is five year with an interest rate of 3.5%. The debt is retired from the debt service fund. The following is a summary of transactions for the year ended September 30, 2008:

Tax anticipation notes payable, beginning of year	\$ 29,000
Additions	
Reductions	<u>(29,000)</u>
 Tax anticipation notes payable, end of year	 <u><u>\$</u></u>

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 5 - Long-Term Debt (Continued)

Capital Lease Obligations

The City has entered into certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the Statement of Net Assets. Assets under capital leases totaled \$735,869 at September 30, 2008. In prior years, capital leases were executed for the purchase of an ambulance from the Emergency Medical Services Fund, and public safety equipment and vehicles and management information technology from the General Fund.

During the 2008 fiscal year, the City entered into a capital lease agreement in the amount of \$457,400 for the purchase of vehicles and equipment from the General Fund.

The lease terms are from three to five years, and are paid twice per year.

The following is a summary of capital lease transactions for the year ended September 30, 2008:

Capital leases payable, beginning of year	\$ 125,489
Additions	457,400
Reductions	<u>(233,876)</u>
Capital leases payable, end of year	<u><u>\$ 349,013</u></u>

A summary of future lease payments due under capital leases follows:

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Emergency Medical Services Fund</u>	<u>Total</u>
2009	\$ 165,838	\$ 22,058	\$ 187,896
2010	<u>157,963</u>	<u>22,058</u>	<u>180,021</u>
Minimum lease payments	323,801	44,116	367,917
Amount representing interest	<u>(16,772)</u>	<u>(2,132)</u>	<u>(18,904)</u>
Present value of minimum lease payments	<u><u>\$ 307,029</u></u>	<u><u>\$ 41,984</u></u>	<u><u>\$ 349,013</u></u>
Due within one year	\$ 154,628	20,574	\$ 175,202
Due after one year	<u>152,401</u>	<u>21,410</u>	<u>173,811</u>
	<u><u>\$ 307,029</u></u>	<u><u>\$ 41,984</u></u>	<u><u>\$ 349,013</u></u>

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 5 - Long-Term Debt (Continued)

Compensated Absences

A summary of changes in compensated absences follows:

Compensated absences payable, beginning of year	\$	169,155 *
Additions		208,323
Reductions		<u>(177,605)</u>
 Compensated absences payable, end of year	 \$	 <u>199,873</u>

* Restated from \$454,398.

Note 6 - Interfund Transactions

A summary of interfund transfers for the year ended September 30, 2008 is as follows:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amounts</u>	<u>Purpose</u>
General Fund	Capital Projects Fund	\$ 650,254	Transfer funds for capital projects costs
General Fund	Special Revenue Fund	5,831	Local grant match
General Fund	Emergency Medical Services Fund	<u>118,824</u>	Transfer funds for operating costs
		<u>\$ 774,909</u>	

A summary of interfund receivables and payables at September 30, 2008 follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Emergency Medical Services Fund	\$ 21,021	Unreimbursed fuel costs
Debt Service Fund	General Fund	728,459	Tax revenues not transferred
General Fund	Capital Projects Fund	<u>1,145,442</u>	Deficit cash position in pooled cash
		<u>\$ 1,166,463</u>	

Note 7 - Fund Equity / Net Assets

The City records fund balance reserves on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures

At year end, the City had negative equity accounts in the STEP grant fund in the special revenue fund. The fund is expected to achieve positive equity levels through future transfers from the general fund.

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 8 - Deferred Compensation Plan

The City maintains, for its employees, a tax-deferred compensation plan meeting the requirements of Internal Revenue Code Section 457. The plan is available to all City employees; it permits them to defer a portion of their salary until future years. Participation in the plan is optional. The plan's trust arrangements are established to protect deferred compensation amounts of employees under the plan from any other use other than intended under the plan (eventual payment to employees deferring the compensation) in accordance with federal tax laws. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with generally accepted government accounting standards, the assets of the plan have not been included in the City's financial statements.

Note 9 - Employee Retirement System

Plan Description

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System ("TMRS"), an agent multiple-employer public employee retirement system. The City of Dickinson, Texas is one of 801 municipalities having their benefit plan administered by TMRS. Each of the individual municipalities has an annual, individual actuarial valuation performed.

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

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

Deposit rate:	7%
Matching ratio (City to employee):	2 to 1
Years required for vesting	10 years
Service retirement eligibility (expressed as age/years of service)	60/20,0/20
Updated service credit	100% repeating, transfers
Annuity increase (to retirees)	0% of CPI

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 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.

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 9 - Employee Retirement System (Continued)

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 services 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 required contribution (ARC)	\$ 389,080
Interest on net pension obligation	
Adjustment to the ARC	
Annual pension cost (APC)	<u>389,080</u>
Contributions made	(389,080)
Increase (decrease) in net pension obligation	
Net pension obligation/(asset), beginning of year	<u> </u>
Net pension obligation/(asset), end of year	<u><u>\$ </u></u>

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation/ (Asset)
2006	\$ 300,178	\$ 300,178	100%	\$
2007	343,890	343,890	100%	
2008	389,080	389,080	100%	

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 9 - Employee Retirement System (Continued)

The required contribution rates for fiscal year 2008 were determined as part of the December 31, 2005 and 2006 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2007, also follows:

Valuation date	12/31/2005	12/31/2006	12/31/2007
Actuarial cost method	Unit credit	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	25 years; open period	25 years; closed period
Asset valuation method	Amortized cost	Amortized cost	Amortized cost
Actuarial assumptions:			
Investment rate of return*	7%	7%	7%
Projected salary increases*	Varies by age and service	Varies by age and service	Varies by age and service
*Includes inflation at	3%	3%	3%
Cost-of-living adjustments	NA	NA	0.0%

The funded status as of December 31, 2007, the most recent actuarial valuation date, is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Funded Ratio</u>	<u>Unfunded AAL (UAAL)</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
	(1)	(2)	(3)	(4)	(5)	(6)
12/31/2007	\$ 4,985,075	\$ 5,773,023	(1)/(2) 86.4%	(2)-(1) \$ 787,948	\$ 3,291,315	(4)/(5) 23.9%

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.

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 10 - Commitments and Contingencies

Litigation and Other Contingencies

The City was involved in various lawsuits and arbitration proceedings at September 30, 2008. The City and its legal counsel believe that any amounts, which the City might ultimately be required to pay, will not exceed underlying insurance coverage.

Arbitrage Rebate

In accordance with the provisions of the Internal Revenue Code, sections 103, 103A, and 148, as amended, a governmental debt issuance must qualify and maintain tax-exempt status by satisfying certain arbitrage requirements contained in these provisions. As part of the requirements, certain amounts earned on the non-purpose investment of debt issuance proceeds, in excess of the yield on an issue, earned as arbitrage, will be required to be paid to the U.S. Treasury. As part of this process, the City annually determines potential arbitrage liabilities on its debt issues.

Note 11 - Risk Management

The City 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 City's risk management program mainly encompasses obtaining property and liability insurance through Texas Municipal League's Intergovernmental Risk-Pool (TML-IRP), and through commercial insurance carriers. The participation of the City in TML-IRP is limited to payment of premiums. The City has not had any significant reduction in insurance coverage, and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years.

Note 12 - Economic Development Contractual Expenditures

The City has entered into Economic Development Agreements with several large businesses. These contracts are authorized by Chapter 380 of the Texas Local Government Code. In these agreements, the business agreed to establish and maintain an office in the City that generates substantial taxable sales. The City remits back to the businesses 60% of the sales tax revenue collected by the City as a result of the businesses' sales on a monthly basis for five years. After five years, the rebated percentage is adjusted to 50%. The terms of the agreements are ten years, and shall be automatically extended for two additional ten year periods. During the current fiscal year, the City collected \$3,242,785 in sales taxes from the sales of these businesses and recorded expenditures of \$2,147,165.

Note 13 - Drainage System

On November 13, 2001, the City established a drainage utility system to provide drainage for all real property in the City. The drainage fees collected are to be used exclusively for the cost of service of the City in furnishing the drainage system and service. During the current fiscal year, the City recognized \$342,771 in drainage revenue and recorded expenditures of \$289,209 related to providing drainage services.

CITY OF DICKINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 14 - Subsequent Events

Debt Issuance

The City had the following debt issuances subsequent to September 30, 2008:

General Obligation Refunding Bonds, Series 2009 - \$2,355,000 dated April 1, 2009 with a AAA rating; issued to refund Combination Tax & Revenue Certificates of Obligation, Series 2000.

Certificates of Obligation, Series 2009 – dated April 1, 2009; issued for additional funding for the construction of the City Hall and Library.

Note 15 - Prior Period Adjustments

Prior period adjustments relate to corrections to the accruals for property and sales taxes receivable and compensated absences payable as of September 31, 2007. In the Statement of Activities, compensated absences were restated by \$254,525 (decrease), and property and sales taxes receivable were increased by \$85,389.

Required Supplementary Information

(This page intentionally left blank)

CITY OF DICKINSON, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	
Revenues				
Property taxes for general purposes	\$ 2,267,017	\$ 2,267,017	\$ 2,209,417	\$ (57,600)
General sales tax	3,934,846	3,490,346	3,242,785	(247,561)
Franchise fees	870,000	870,000	877,667	7,667
Other taxes	70,000	70,000	91,179	21,179
Fines and fees	745,520	745,520	705,489	(40,031)
Licenses and permits	392,550	392,550	251,643	(140,907)
Intergovernmental	1,576,697	1,576,697	2,246,576	669,879
Charges for services	887,200	887,200	951,175	63,975
Drainage fees	325,000	325,000	342,771	17,771
Investment earnings	300,000	300,000	215,019	(84,981)
Miscellaneous revenue	11,950	11,950	(7,897)	(19,847)
Total Revenues	11,380,780	10,936,280	11,125,824	189,544
Expenditures				
Current Expenditures:				
General government:				
Administrative	425,054	424,904	511,986	(87,082)
Finance	305,848	312,321	279,381	32,940
Information technology	120,170	119,970	114,466	5,504
Total general government	851,072	857,195	905,833	(48,638)
Public safety:				
Law enforcement	3,109,285	3,140,285	3,140,901	(616)
Municipal court	301,256	300,706	229,335	71,371
Emergency management	64,797	64,697	975,383	(910,686)
Public safety	386,121	374,571	446,124	(71,553)
Total public safety	3,861,459	3,880,259	4,791,743	(911,484)
Public works:				
Public works	1,449,227	1,451,548	1,450,092	1,456
Drainage	317,195	324,116	267,482	56,634
Total public works	1,766,422	1,775,664	1,717,574	58,090

Continued on next page.

CITY OF DICKINSON, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	
Culture and recreation:				
Library	211,673	225,000	225,052	(52)
Historical society	66,612	65,472	60,596	4,876
Total culture and recreation	<u>278,285</u>	<u>290,472</u>	<u>285,648</u>	<u>4,824</u>
Economic and community development:				
Community development	330,103	314,003	266,600	47,403
Economic development	2,433,426	2,433,426	2,147,165	286,261
Total economic and community development	<u>2,763,529</u>	<u>2,747,429</u>	<u>2,413,765</u>	<u>333,664</u>
Debt Service				
Principal	220,761	211,607	214,106	(2,499)
Interest and other charges	2,024	2,024	2,022	2
Total debt service	<u>222,785</u>	<u>213,631</u>	<u>216,128</u>	<u>(2,497)</u>
Capital Outlay	<u>1,104,671</u>	<u>1,101,671</u>	<u>1,258,702</u>	<u>(157,031)</u>
Total expenditures	<u>10,848,223</u>	<u>10,866,321</u>	<u>11,589,393</u>	<u>(723,072)</u>
Excess (deficiency) of revenues over expenditures	<u>532,557</u>	<u>69,959</u>	<u>(463,569)</u>	<u>(533,528)</u>
Other Financing Sources (Uses)				
Proceeds from debt issuance			457,400	457,400
Transfers out	(206,057)	(806,565)	(774,909)	31,656
Total other financing sources (uses)	<u>(206,057)</u>	<u>(806,565)</u>	<u>(317,509)</u>	<u>489,056</u>
Net change in fund balance	<u>326,500</u>	<u>(736,606)</u>	<u>(781,078)</u>	<u>(44,472)</u>
Fund balance - beginning	<u>4,478,653</u>	<u>4,478,653</u>	<u>4,478,653</u>	
Fund balance - ending	<u>\$ 4,805,153</u>	<u>\$ 3,742,047</u>	<u>\$ 3,697,575</u>	<u>\$ (44,472)</u>

Continued on next page.

CITY OF DICKINSON, TEXAS
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	GAAP Basis	
Revenues				
Intergovernmental	\$ 63,433	\$ 63,433	\$ 23,324	\$ (40,109)
Fines and fees	49,184	49,184	42,268	(6,916)
Investment earnings	2,000	2,000	2,082	82
Miscellaneous revenue			40	40
Total Revenues	114,617	114,617	67,714	(46,903)
Expenditures				
Current				
Public safety	112,617	112,617	57,258	55,359
Total Expenditures	112,617	112,617	57,258	55,359
Excess (deficiency) of revenues over expenditures	2,000	2,000	10,456	8,456
Other Financing Sources (Uses)				
Transfers in	12,687	12,687	5,831	(6,856)
Net change in fund balances	14,687	14,687	16,287	1,600
Fund balances - beginning	170,039	170,039	170,039	
Fund balances - ending	\$ 184,726	\$ 184,726	\$ 186,326	\$ 1,600

CITY OF DICKINSON, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY BUDGET INFORMATION

Year Ended September 30, 2008

Budgetary Compliance

Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service, an Enterprise Funds, using the same basis of accounting as for financial reporting. All annual appropriations lapse at fiscal year end. Project length budgets are adopted for the Capital Project Funds. City Council approves the annual budget for the Dickinson Economic Development Corporation, which is included in the City's financial reporting entity.

Expenditures may not legally exceed budgeted appropriations at the fund level (i.e. General Fund, Debt Service Fund, etc.). Expenditure requests, which would require an increase in total budgeted appropriations, must be approved by City Council through a formal budget amendment. At any time in the fiscal year, the Council may make emergency appropriations to meet a pressing need for public expenditure in order to protect the public health, safety, or welfare. The Council has the power to transfer any unencumbered funds allocated by the budget from one activity, function, or department, to another activity, function, or department, to re-estimate revenues and expenditures, and to amend the budget.

Because City Council adopts the budget at the fund level, management has the authority to transfer available funds allocated by the budget from one function/department or activity to another function or activity within the same department. In cooperation with the department heads of the City, the Mayor, Director of Finance and the City Administrator prepare an annual budget for the General Fund, Special Revenue Fund, Debt Service Fund, and the Enterprise Fund for the ensuing fiscal year, in a form and style as deemed desirable by the Mayor. The Mayor shall submit to the Council, for its review, consideration, and revision, both a letter describing the proposed new budget, as well as a balanced budget for the forthcoming fiscal year, between 60 (sixty) and 90 (ninety) days prior to the beginning of the fiscal year. The budget, as adopted, must set forth the appropriations for services, functions, and activities of the various City departments and agencies, and shall meet all fund requirements provided by law and required by bond covenants.

Amounts reported in the accompanying financial statements represent the amended budgeted amount plus all supplemental appropriations.

Significant actual expenditures in excess of budget were as follows:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General government	\$ 857,195	\$ 905,833	\$ (48,638)
Public safety	\$ 3,880,259	\$ 4,791,743	\$ (911,484)
Capital outlay	\$ 1,101,671	\$ 1,258,702	\$ (157,031)

The overages in general government and public safety were caused by the impact of Hurricane Ike which struck the City in mid September. It was not possible to estimate the amount of recovery expenditures in time to prepare budget amendments.

The overage in capital outlay was due to the execution of a new capital lease for various equipment and vehicles that was not budgeted.

CITY OF DICKINSON, TEXAS
REQUIRED PENSION SYSTEM SUPPLEMENTARY INFORMATION
Year Ended September 30, 2008

Texas Municipal Retirement System (Unaudited)
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(1)	(2)	(3) (1)/(2)	(4) (2)-(1)	(5)	(6) (4)/(5)
12/31/2004	\$ 3,131,846	\$ 3,826,690	81.8%	\$ 694,844	\$ 2,599,860	26.7%
12/31/2005	\$ 3,743,961	\$ 4,508,787	83.0%	\$ 764,826	\$ 2,693,162	28.4%
12/31/2006	\$ 4,337,298	\$ 5,009,117	86.6%	\$ 671,819	\$ 2,823,615	23.8%
12/31/2007	\$ 4,985,075	\$ 5,773,023	86.4%	\$ 787,948	\$ 3,291,315	23.9%

(This page intentionally left blank)

**Combining and Individual Fund
Statements and Schedules**

(This page intentionally left blank)

CITY OF DICKINSON, TEXAS

DEBT SERVICE FUND

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

For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	
Revenues				
Property taxes for specific purposes	\$ 804,896	\$ 804,896	\$ 785,886	\$ (19,010)
Intergovernmental	153,731	153,731	163,015	9,284
Investment earnings			1,434	1,434
Total Revenues	<u>958,627</u>	<u>958,627</u>	<u>950,335</u>	<u>(8,292)</u>
Expenditures				
Debt service:				
Principal retirement	\$ 439,000	\$ 439,000	\$ 439,000	\$
Interest and fiscal charges	509,213	509,213	509,216	(3)
Other debt service	3,500	3,500	1,675	1,825
Total Expenditures	<u>951,713</u>	<u>951,713</u>	<u>949,891</u>	<u>1,822</u>
Net change in fund balance	<u>6,914</u>	<u>6,914</u>	<u>444</u>	<u>(6,470)</u>
Fund balances, beginning of year	<u>1,831,787</u>	<u>1,831,787</u>	<u>1,831,787</u>	
Fund balances, end of year	<u>\$ 1,838,701</u>	<u>\$ 1,838,701</u>	<u>\$ 1,832,231</u>	<u>\$ (6,470)</u>

CITY OF DICKINSON, TEXAS
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	GAAP Basis	
Revenues				
Intergovernmental	\$	\$	\$ 23,344	\$ 23,344
Investment earnings	200,000	200,000	265,437	65,437
Misc. revenue				
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>288,781</u>	<u>88,781</u>
Expenditures				
Capital outlay		5,576,783	2,856,866	2,719,917
Total Expenditures		<u>5,576,783</u>	<u>2,856,866</u>	<u>2,719,917</u>
Excess (deficiency) of revenues over expenditures	<u>200,000</u>	<u>(5,376,783)</u>	<u>(2,568,085)</u>	<u>2,808,698</u>
Other Financing Sources (Uses)				
Transfers in		650,254	650,254	
Total other financing sources (uses)		<u>650,254</u>	<u>650,254</u>	
Net change in fund balance	<u>200,000</u>	<u>(4,726,529)</u>	<u>(1,917,831)</u>	<u>2,808,698</u>
Fund balances, beginning of year	<u>6,686,094</u>	<u>6,686,094</u>	<u>6,686,094</u>	
Fund balances, end of year	<u>\$ 6,886,094</u>	<u>\$ 1,959,565</u>	<u>\$ 4,768,263</u>	<u>\$ 2,808,698</u>

**Discretely Presented Component Units
Fund Based Financial Statements**

(This page intentionally left blank.)

CITY OF DICKINSON, TEXAS
BALANCE SHEETS - GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2008

	Dickinson Economic Development Corporation	Bayou Lakes Public Improvement District No. 1	Total Component Units
Assets			
Cash and Cash Equivalents	\$ 320,725	\$ 4,807	\$ 325,532
Sales and use taxes receivable	253,472		253,472
Due From Other Governments	1,460,362		1,460,362
Total assets	\$ 2,034,559	\$ 4,807	\$ 2,039,366
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 12,994	\$ 1,430	\$ 14,424
Due to Other Governments			
Total liabilities	12,994	1,430	14,424
Fund balances			
Unreserved, reported in			
Component units	2,021,565	3,377	2,024,942
Total fund balances	2,021,565	3,377	2,024,942
Total liabilities and fund balances	\$ 2,034,559	\$ 4,807	\$ 2,039,366

CITY OF DICKINSON, TEXAS

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- GOVERNMENTAL FUNDS

DISCRETELY PRESENTED COMPONENT UNITS

For the Year Ended September 30, 2008

	Dickinson Economic Development Corporation	Bayou Lakes Public Improvement District No. 1	Total Component Units
Revenues			
Property Taxes for Specific Purposes	\$ 555,858	\$	\$ 555,858
Special Sales Tax	1,065,535		1,065,535
Investment Earnings		36	36
Miscellaneous Revenue	15,063	90,831	105,894
Total Revenues	<u>1,636,456</u>	<u>90,867</u>	<u>1,727,323</u>
Expenditures			
Current			
General Government		95,858	95,858
Economic Development	1,382,967		1,382,967
Total Expenditures	<u>1,382,967</u>	<u>95,858</u>	<u>1,478,825</u>
Net change in fund balances	253,489	(4,991)	248,498
Fund balances - beginning, as originally stated	1,804,038	8,368	1,812,406
Prior period adjustments	(35,962)		(35,962)
Fund balances - beginning, as restated	<u>1,768,076</u>	<u>8,368</u>	<u>1,776,444</u>
Fund balances - ending	<u>\$ 2,021,565</u>	<u>\$ 3,377</u>	<u>\$ 2,024,942</u>

Unaudited Statistical Section

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

(This page intentionally left blank.)

CITY OF DICKINSON, TEXAS

NET ASSETS BY COMPONENT

*Last Five Fiscal Years**

Amounts in (000's)

(Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental Activities					
Invested in capital assets, net of related debt	\$ 9,205,528	\$ 12,437,246	\$ 15,355,137	\$ 16,692,157	\$ 17,277,454
Restricted			1,422,463	1,870,405	2,735,464
Unrestricted			2,622,774	2,757,799	3,746,415
Total governmental activities net assets	<u>\$ 9,205,528</u>	<u>\$ 12,437,246</u>	<u>\$ 19,400,374</u>	<u>\$ 21,320,361</u>	<u>\$ 23,759,333</u>
Business-type activities					
Invested in capital assets, net of related debt	\$	\$	\$	\$ 20,497	\$ 16,995
Restricted					
Unrestricted				114,475	114,827
Total business-type activities net assets	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 134,972</u>	<u>\$ 131,822</u>
Primary government					
Invested in capital assets	\$ 9,205,528	\$ 12,437,246	\$ 15,355,137	\$ 16,712,654	\$ 17,294,449
Restricted			1,422,463	1,870,405	2,735,464
Unrestricted			2,622,774	2,872,274	3,861,242
Total primary government net assets	<u>\$ 9,205,528</u>	<u>\$ 12,437,246</u>	<u>\$ 19,400,374</u>	<u>\$ 21,455,333</u>	<u>\$ 23,891,155</u>

CITY OF DICKINSON, TEXAS

CHANGES IN NET ASSETS

*Last Five Fiscal Years**

Amounts in (000's)

(Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenses					
Governmental Activities					
Administrative	\$ 374	\$ 645	\$ 522	\$ 447	\$ 470
Finance	197	177	228	230	240
Information Technology	105	145	134	124	151
Community Development	178	222	190	194	215
Municipal Courts	146	173	212	218	227
Law Enforcement	2,204	2,622	2,724	2,944	2,993
Emergency Management	79	53	81	219	52
Emergency Medical Services	294		72	25	
Public Safety	48	478	461	433	412
Public Works	643	1,707	1,771	1,731	1,566
Railroad Depot	1,040			51	
Parks & Recreation	142	300	39		
Drainage	279	431	603	548	587
Economic Development Contractual Pmts	1,181	1,569	1,927	2,519	2,100
Library		160	173	169	205
Historical Society			32	33	51
Interest Expense		175	173	155	334
Capital Outlay	286				
Total governmental activities expenses	<u>7,196</u>	<u>8,857</u>	<u>9,342</u>	<u>10,040</u>	<u>9,603</u>
Business-type activities:					
Emergency Medical Services				363	472
Total business-type activities				<u>363</u>	<u>472</u>
Total primary government expenses	<u>\$ 7,196</u>	<u>\$ 8,857</u>	<u>\$ 9,342</u>	<u>\$ 10,403</u>	<u>\$ 10,075</u>

City of Dickinson, Texas
CHANGES IN NET ASSETS
*Last Five Fiscal Years**
Amounts in (000's)
(Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Program Revenue					
Governmental activities					
Charges for services:					
Community Development	\$ 281	\$ 227	\$ 270	\$ 448	\$
Municipal Courts	796	780	829	726	373
Law Enforcement	671	118	23	6	790
Emergency Management		35			16
Public Safety	204		270	38	
Public Works		1,478	1,618	983	39
Drainage	243		327	337	907
Economic Development Contractual Pmts		321			342
Library		32	26	30	
Historical Society			30	30	30
Total governmental activities program revenues	<u>2,195</u>	<u>2,991</u>	<u>3,393</u>	<u>2,598</u>	<u>2,497</u>
Business-type activities:					
Charges for services					
Emergency Medical Services					458
Total business-type activities program revenues				229	458
Total primary government program revenues	<u>\$ 2,195</u>	<u>\$ 2,991</u>	<u>\$ 3,393</u>	<u>\$ 2,827</u>	<u>\$ 2,955</u>
Net (Expense)/Revenue					
Governmental activities	\$ (5,001)	\$ (5,866)	\$ (5,949)	\$ (7,442)	\$ (7,106)
Business-type activities				(134)	(14)
Total primary government net expense	<u>\$ (5,001)</u>	<u>\$ (5,866)</u>	<u>\$ (5,949)</u>	<u>\$ (7,576)</u>	<u>\$ (7,120)</u>

City of Dickinson, Texas
CHANGES IN NET ASSETS
*Last Five Fiscal Years**
Amounts in (000's)
(Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes:					
Property taxes	\$ 1,653	\$ 2,280	\$ 2,540	\$ 2,750	\$ 2,830
Sales and use taxes	2,151	2,706	3,086	3,378	3,216
Franchise taxes	783	968	953	936	917
Investment earnings	44		160	335	650
Miscellaneous	99	182	143	1,783	1,666
Increase in Reserves for Special Purposes		34	69		
Decrease in Reserves				(3)	
Transfers		76	73	(191)	113
Loss on Sale of Land		(8)			
Developer Contribution		370	5,588	248	150
Assets Contributed by Library					149
Total governmental activities	<u>\$ 4,730</u>	<u>\$ 6,608</u>	<u>\$ 12,612</u>	<u>\$ 9,236</u>	<u>\$ 9,691</u>
Total primary government	<u>\$ 4,730</u>	<u>\$ 6,608</u>	<u>\$ 12,612</u>	<u>\$ 9,236</u>	<u>\$ 9,691</u>
Special Items					
Transfer of Land by Component Unit			32		
Change in Net Assets					
Governmental activities	\$ (271)	\$ 742	\$ 6,663	\$ 1,794	\$ 2,585
Business-type activities				(134)	(14)
Total primary government	<u>\$ (271)</u>	<u>\$ 742</u>	<u>\$ 6,695</u>	<u>\$ 1,660</u>	<u>\$ 2,571</u>

CITY OF DICKINSON, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last ten Fiscal Years
Amounts in (000's)
(Modified Accrual Basis of Accounting)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General fund										
Reserved	\$ 35	\$ 36	\$ 39	\$ 62	\$ 130	\$	\$ 105	\$ 105	\$ 105	\$ 254
Unreserved	1,385	1,242	1,341	1,389	1,517	2,033	2,169	2,802	2,673	3,462
Total General Fund	<u>\$ 1,420</u>	<u>\$ 1,278</u>	<u>\$ 1,380</u>	<u>\$ 1,451</u>	<u>\$ 1,647</u>	<u>\$ 2,034</u>	<u>\$ 2,434</u>	<u>\$ 2,907</u>	<u>\$ 2,778</u>	<u>\$ 3,716</u>
All other governmental funds										
Reserved for debt service	\$ 38	\$ 84	\$ 202	\$ 208	\$ 554	\$ 663	\$ 774	\$ 1,039	\$ 1,373	\$ 1,832
Unreserved, reported in:										
Special revenue funds	45	42	49	11	46	82	116	185	182	170
Capital projects funds	(239)	(179)	1,619	630	373	145	35	68	160	6,686
Vehicle Replacement Funds									168	41
Total other Governmental Funds	<u>\$ (156)</u>	<u>\$ (53)</u>	<u>\$ 1,870</u>	<u>\$ 849</u>	<u>\$ 973</u>	<u>\$ 890</u>	<u>\$ 925</u>	<u>\$ 1,292</u>	<u>\$ 1,883</u>	<u>\$ 8,729</u>

CITY OF DICKINSON, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
Amounts in (000's)
(Modified Accrual Basis of Accounting)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues										
Property taxes	\$ 1,494	\$ 1,596	\$ 1,617	\$ 1,671	\$ 1,968	\$ 2,054	\$ 2,280	\$ 2,546	\$ 2,722	\$ 2,835
Sales and use taxes(*includes Franchise until 2003)	1,416	1,375	1,433	1,566	1,869	2,151	2,706	3,086	3,378	3,216
Franchise fees						783	968	953	936	917
Garbage Fees							777	799	849	907
Law Enforcement										16
Licenses and permits	151	149	179	216	194	205	227	270	448	373
Hotel Revenue								30	29	29
Fines and forfeitures	317	281	368	374	532	697	772	829	725	790
Charges for services	628	567	675	878	773	797				
Drainage Fees						244	321	327	338	341
Investment earnings	63	75	125	216	84	55	1	160	335	650
Intergovernmental	142	259	153	286	508	295	854	1,096	1,374	1,593
Other	66	113	33	67	178	102	221	209	618	39
Total Revenues	<u>4,277</u>	<u>4,415</u>	<u>4,583</u>	<u>5,274</u>	<u>6,106</u>	<u>7,383</u>	<u>9,127</u>	<u>10,305</u>	<u>11,752</u>	<u>11,706</u>

CITY OF DICKINSON, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
Amounts in (000's)
(Modified Accrual Basis of Accounting)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenditures										
General government:	\$ 526	\$ 451	\$ 553	\$ 602	\$ 540	\$	\$	\$	\$	\$
Administrative						375	573	451	375	392
Finance						197	177	228	230	240
Information-Technology						108	145	134	133	151
Community Development						178	222	190	194	215
Municipal Court						173	173	212	218	227
Code Enforcement(Combined with Comm Serv)										
EMS & Fire (Split in 2003 Public Health)						293		72	25	
Emergency Management(Disasters)						48	53	81	219	52
Law Enforcement	1,784	2,322	2,050	2,436	2,622	2,223	2,411	2,683	2,807	2,926
Public Health	545	563	521	650	677	643	461	444	427	412
Public works	688	773	848	964	863	1,119	1,258	1,227	1,175	1,281
Railroad Depot									51	
Drainage						279	280	401	348	388
Economic Development					211	1,181	1,569	1,927	2,519	2,100
Library							160	173	170	205
Parks and recreation	95	140	119	126	125	142	300	39		
Historical Society								32	33	51
Debt service:										
Principal	160	146	129	149	198	140	229	295	263	182
Interest and other charges	40	29	24	201	178	188	186	172	159	303
Bond Issuance Costs										101
Capital outlay	239	69	390	1,444	520	520	951	1,075	1,773	4,194
Intergovernmental					162					
Total Expenditures	<u>4,077</u>	<u>4,493</u>	<u>4,634</u>	<u>6,572</u>	<u>6,096</u>	<u>7,807</u>	<u>9,148</u>	<u>9,836</u>	<u>11,119</u>	<u>13,420</u>
Excess of revenues over (under) expenditures	200	(78)	(51)	(1,298)	10	(424)	(21)	469	633	(1,714)

CITY OF DICKINSON, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
Amounts in (000's)
(Modified Accrual Basis of Accounting)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Other Financing Sources (Uses)										
Transfers in	\$ 46	\$ 214	\$ 134	\$ 77	\$ 32	\$ 109	\$	\$ 73	\$	\$
Transfers out	(46)	(214)	(134)		(78)		(76)		(159)	(11)
Bonds issued			2,113							
Proceeds from Tax Rev Notes, Increase in Reserves						329				
Sale of Land							34	69	(3)	113
Capital leases							242			
Developer Contribution								56	101	
Other (Proceeds from LTD)				271	135			174	142	
Proceed from Certificates of Obligation										9,295
Total other Financing Sources (uses)			<u>2,113</u>	<u>348</u>	<u>89</u>	<u>438</u>	<u>200</u>	<u>372</u>	<u>81</u>	
Net change in fund balances	<u>\$197,769</u>	<u>\$ (76,381)</u>	<u>\$ 2,062</u>	<u>\$ (951)</u>	<u>\$ 281</u>	<u>\$ 15</u>	<u>\$ 3,027</u>	<u>\$ 33</u>	<u>\$ 623</u>	
Debt service as a percentage of noncapital expenditures	4.9%	4.0%	3.6%	6.8%	6.7%	4.5%	5.1%	5.3%	4.5%	5.3%

CITY OF DICKINSON, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
Last Ten Fiscal Years

<u>Real Property</u>										
<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Personal Property</u>	<u>Less Tax Exempt Real Property</u>	<u>Less Other Exemptions and Abatements</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percent of Actual Taxable Value</u>
1999	1998	\$ 595,902	\$ 54,219	\$ 62,518	\$ 11,743	\$	\$ 435,459	0.35	\$ 426,184	97.87%
2000	1999	594,487	56,658	61,494	12,997		448,554	0.35	322,087	71.81%
2001	2000									0.00%
2002	2001							0.37	505,890	0.00%
2003	2002	580,541	60,396	71,702	16,701		533,287	0.39	521,021	97.70%
2004	2003	576,370	61,874	74,395	19,638		574,513	0.39	550,556	95.83%
2005	2004	570,171	66,240	76,228	20,266		600,466	0.41	588,577	98.02%
2006	2005	573,748	66,909	71,982	22,529		630,668	0.43	630,100	99.91%
2007	2006	564,202	70,974	77,463	23,280		689,360	0.41	606,981	88.05%
2008	2007	546,687	95,796	62,639	13,709		718,831	0.41	614,505	85.49%

Information from: Galveston CAD

CITY OF DICKINSON, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended Sept 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Amount Outstanding
		Amount	Percentage of Levy		Amount	Percentage of Levy	
1998	\$ 1,470,671	\$ 1,418,115	96.43%	\$ 38,202	\$ 1,456,317	99.024%	\$ 14,354
1999	1,528,897	1,496,331	97.87%	32,566	1,548,161	101.260%	(19,264)
2000	1,574,873	1,111,703	70.59%	463,170	1,130,916	71.810%	443,957
2001	1,598,756	1,295,472	81.03%	303,284	1,295,472	81.030%	303,284
2002	1,972,973	1,889,714	95.78%	83,259	1,927,595	97.700%	45,378
2003	2,087,817	2,039,797	97.70%	48,020	2,087,817	100.000%	
2004	2,249,219	2,155,427	95.83%	93,792	2,234,149	99.330%	15,070
2005	2,488,931	2,439,650	98.02%	49,281	2,488,682	99.990%	249
2006	2,612,366	2,610,015	99.91%	2,351	2,722,085	104.200%	(109,719)
2007	2,790,020	2,456,613	88.05%	333,407	2,527,200	90.580%	262,820
2008	3,134,818	in process	in process				

Source: Galveston County Tax Collector

CITY OF DICKINSON, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
Current Year And Nine Years Ago

<u>Taxpayer</u>	<u>2008</u>			<u>Taxpayer</u>	<u>2001**</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Calumet Penreco LLC	\$ 9,419,210	1	1.77%	Penzoil Quaker State	\$ 15,708,600	1	2.95%
Conoco Specialty Products Inc	9,258,410	2	1.74%	GTE Southwest, Inc.	9,361,030	2	1.76%
GTE Southwest, Inc.	6,906,070	3	1.30%	McRee Ford, Inc.	6,232,660	3	1.17%
McRee Ford Inc	5,752,960	4	1.08%	Texas-New Mexico Power	5,869,670	4	1.10%
Texas-New Mexico Power Co	5,485,910	5	1.03%	Gay Pontiac GMC & Subaru	4,015,070	5	0.75%
Dixie Partners II LP	4,043,490	6	0.76%	WRI Dickinson Ven	2,664,960	6	0.50%
SW Kirkwood LP	3,584,210	7	0.67%	Pine Forest Apartments, Inc.	2,274,980	7	0.43%
Gay Pontiac GMC & Subaru Inc	3,173,210	8	0.60%	Dickinson Plaza Shopping Center	2,015,950	8	0.38%
Insite Dickinson Storage LP	2,992,140	9	0.56%	Gay Pontiac & GMC INC	1,931,910	9	0.36%
Pine Forest Apartments Inc	2,669,080	10	0.50%	Citizens State Bank	1,698,250	10	0.32%
Gay Pontiac & GMC Inc	2,335,430	11	0.44%	Green River Apart Association	1,652,500	11	0.31%
2006 Bentwood LP	2,239,630	12	0.42%	Dickinson Oaks Apartments,	1,520,540	12	0.29%
Walgreens	2,052,102	13	0.38%	Wentwood Investments	1,515,360	13	0.28%
Kroger Company #241	1,974,273	14	0.37%	Village High Inc.	1,499,980	14	0.28%
Speights, Michael	1,920,830	15	0.36%	Aris Food Service, Inc.	1,183,970	15	0.22%
Bay Colony Business Park, LTD	1,789,130	16	0.34%	Dickinson Torrey Pines Apt	1,150,350	16	0.22%
Green River Apartment Association	1,774,520	17	0.33%	McRee Ford, Inc.	1,120,930	17	0.21%
Comcast of Houston LLC	1,757,790	18	0.33%	Wal-Mart Properties Inc.	1,013,400	18	0.19%
Wentwood Investment Partnership	1,709,730	19	0.32%	Ponderosa Partners	1,010,670	19	0.19%
Green Caye Enterprises, Inc.	1,622,300	20	0.30%	Megahaus Corp	1,008,495	20	0.19%
Total	\$ 72,460,425		13.59%		\$ 64,449,275		12.09%

Source: Galveston CAD

*1999 not available from GCAD

CITY OF DICKINSON, TEXAS

TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

(in thousands of dollars)

	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008**
* not available	*	*	*							
Construction	\$	\$	\$	\$ 385	\$ 393	\$ 454	\$ 614	\$ 1,105	\$ 2,050	\$ 991
Manufacturing				162	119	132	148	144	146	980
Wholesale Trade				2,414	13,855	27,004	26,459	1,023	1,038	930
Retail Trade				91,791	169,213	205,686	228,494	276,414	258,837	126
Transportation & Warehousing				7	14	15	15	62	125	70
Information				209	209	217	129	371	567	148
Finance & Insurance				134			179	170	265	138
Real Estate & Rental & Leasing				182	493	2,445	2,386	2,491	2,542	1,213
Professional, Scientific & Technical Services and Remediation Services				1,405	1,923	2,171	1,556	1,311	514	230
Arts, Entertainment & Recreation				979	936	956	719	998	1,369	700
Accommodation & Food Services				347	414	462	429	400	420	245
Other Services (Except Public Administration)				13,470	13,976	15,937	16,700	17,858	18,335	9,615
Public Administration				4,442	4,581	4,574	4,982	4,559	2,957	1,621
Total	\$	\$	\$	\$ 116,493	\$ 206,309	\$ 260,053	\$ 282,810	\$ 306,906	\$ 289,165	\$ 17,007
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Source: State of Texas : Taxable Sales Report

** Data contains only Q 1 & Q2

CITY OF DICKINSON, TEXAS
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Tax Year	General Obligation Bonds	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Percentage of Personal Income ^a	Per Capita ^a
1999	1998	95	86	9	2.1%	*	5
2000	1999	4,000	202	3,798	1179.2%	9.0%	166
2001	2000	4,000	208	3,792	0.0%	9.0%	203
2002	2001	3,000	513	2,487	491.6%	5.9%	192
2003	2002	2,945	706	2,239	429.7%	5.3%	203
2004	2003	2,895	774	2,121	385.2%	5.1%	190
2005	2004	2,780	1,039	1,741	295.8%	4.1%	175
2006	2005	2,945	1,373	1,572	249.5%	3.7%	160
2007	2006	11,825	1,832	9,993	1626.2%	23.8%	692

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

^a Population data can be found in demographic and economic statistics table.

* Information not available.

CITY OF DICKINSON, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (A)	Personal Income (in \$000's)	Per Capita Personal Income (B)	Median Age (B)	Education level in Years of Schooling	School Enrollment (C)	Unemployment Rate (D)
1999	18,282	*	*	*	*	5,895	7.8%
2000	18,530	\$ 41,984	\$ 19,785	33.5	13.0	5,972	6.8%
2001	18,725	41,984	19,785	33.5	13.0	5,907	6.7%
2002	17,093	41,984	19,785	33.5	13.0	6,234	6.1%
2003	17,093	41,984	19,785	33.5	13.0	6,539	7.0%
2004	17,093	41,984	19,785	33.5	13.0	7,010	8.6%
2005	17,898	41,984	19,785	33.5	13.0	7,332	7.0%
2006	17,093	41,984	19,785	33.5	13.0	7,788	6.1%
2007	17,903	41,984	19,785	33.5	13.0	8,228	6.7%
2008	17,903	41,984	*	*	*	*	*

1999-2000 Population data found in Comprehensive Financial Report for 09/30/01

Personal Income, medium income, avg age, level education etc- U S CENSUS BUREAU

* Information not presented is not available.

Unemployment- Bureau of Labor Statistics

Enrollment of DISD - Lonestar

CITY OF DICKINSON, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (A)	Personal Income (in \$000's)	Per Capita Personal Income (B)	Median Age (B)	Education level in Years of Schooling	School Enrollment (C)	Unemployment Rate (D)
1999	18,282	*	*	*	*	5,895	7.8%
2000	18,530	\$ 41,984	\$ 19,785	33.5	13.0	5,972	6.8%
2001	18,725	41,984	19,785	33.5	13.0	5,907	6.7%
2002	17,093	41,984	19,785	33.5	13.0	6,234	6.1%
2003	17,093	41,984	19,785	33.5	13.0	6,539	7.0%
2004	17,093	41,984	19,785	33.5	13.0	7,010	8.6%
2005	17,898	41,984	19,785	33.5	13.0	7,332	7.0%
2006	17,093	41,984	19,785	33.5	13.0	7,788	6.1%
2007	17,903	41,984	19,785	33.5	13.0	8,228	6.7%
2008	17,903	41,984	*	*	*	*	*

1999-2000 Population data found in Comprehensive Financial Report for 09/30/01
 Personal Income, medium income, avg age, level education etc- U S CENSUS BUREAU
 * Information not presented is not available.
 Unemployment- Bureau of Labor Statistics
 Enrollment of DISD - Lonestar

CITY OF DICKINSON, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

		Full-time Equivalent Employees as of Sept 30									
Function/Program		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Governmental Activities:											
Administration			2.00	2.15	2.15	2.15	3.00	2.50	2.00	1.80	1.80
Finance			2.50	3.00	1.50	2.00	2.00	2.50	2.75	2.90	2.90
Community Development	*	*		2.50	2.00	2.50	3.25	3.50	3.50	3.45	2.00
Municipal Court			3.00	3.50	3.50	3.40	3.15	3.15	3.47	3.45	3.45
Law Enforcement			33.00	34.25	33.00	39.65	42.65	43.65	47.65	43.35	44.50
Code Enforcement			2.00	1.00	1.00	2.25	2.75	3.25	3.25	3.80	3.80
Emergency Management			1.00	1.25	1.25	0.70	0.70	0.70	0.70	1.06	1.10
Streets(drainage combined until 2001)			14.50	10.20	11.20	10.15	10.95	8.00	10.00	7.70	7.70
IT	*	*	*		0.25	0.25	0.25	0.25	0.25	0.20	0.16
Drainage	*	*		3.65	3.65	4.60	4.45	5.50	5.50	4.90	4.85
Library	*	*	*	*	*	*		4.15	4.15	5.00	5.00
Historical Society						0.50	0.50	0.50	0.50	0.94	2.00
Public Safety				1.00	0.25	1.15	1.15				
Business Type Activities											
EMS						*	*	2	4	4	4
Component Unit											
Economic Development						0.65	0.65	0.65	0.65	0.68	1.07
Total		0	53.5	54.85	54.1	69.30	74.80	77.65	83.72	78.55	79.26

Source: City Budget Information from these years