

## THE BUDGET PROCESS

The Home Rule Charter of the City of The Colony provides for the preparation and submission of the budget covering the next fiscal year by the City Manager. The preliminary budget shall be submitted to the City Secretary prior to the thirty-first day of July each year. The fiscal year begins on the first day of October of each calendar year and ends on the thirtieth day of September of the following year. The fiscal year is also the accounting and budget year.

The proposed budget is submitted to the City Council. The City Council is required to select a date and place for a public hearing. A notice of the public hearing must be published not less than ten days prior to the hearing. At this formal public hearing, the City Council gives all interested citizens an opportunity to express their opinions concerning the proposed budget.

The City Charter mandates the City Council to adopt the budget submitted, making such changes as in their judgment, the law warrants, and the best interests of the taxpayers demand. The City Council usually adopts the budget ordinance and approves the Ad Valorem Tax Rate during the same City Council meeting.

The budget preparation process begins early in each calendar year. Comprehensive budget forms are distributed to all department heads to assist in expenditure recommendations. The first six months' actual expenditure and revenue totals for the current fiscal year are provided to department heads for consideration in determining budget projections.

The current year budget revenue totals are revised, if necessary, for accurate budget projections. Revenue totals are analyzed, calculated and set for the budget year with projections on long-range extraordinary revenues. The Finance Director presents all revenue estimates for the next fiscal year to the City Manager for final approval and inclusion in the preliminary budget.

In June of each year the City Manager holds meetings with all department heads to review, analyze and justify all line item expenditure account balances for the budgeted year, as well as long-range extraordinary expenditures. The City Manager and Finance Director finalize the next year's expenditure totals for inclusion in the preliminary budget. Prior to July 31 each year, the City Manager files the preliminary budget with the City Secretary.

During the months of August and September of each year, the Mayor designates dates for budget work sessions for the City Council's review and modifications of the preliminary budget. On September 15th, 2008, the City Council adopted the 2008-09 Annual Operating Budget and approved the 2008 Ad Valorem Tax Rate.

## **BUDGET AMENDMENTS**

The budget can be amended after adoption with City Council approval. According to Section 10.06 of the City Charter, the City Council may transfer any unencumbered appropriation from one department to another at any time. The City Manager has the authority to transfer appropriated balances from one expenditure account to another within the same department. Section 10.07 of the City Charter, allows the City Council to make emergency appropriations at any time during the fiscal year, to meet a pressing need to protect the public's health, safety or welfare.

## **BASIS OF BUDGETING**

The budgets of general government type funds: General Fund, General Debt Service Fund, Utility Tax Supported Debt Service Fund, Revenue Bond Debt Service Fund, Lake Parks, Hidden Cove Park, Environmental Fund, Economic Development 4A & 4B, Court Security, Court Technology, Hotel/Motel Tax Fund, Special Events Fund, Engineering Inspections, Fleet Services, Capital Projects Administration Fund, Community Center Fund and Storm Water Utility Fund are prepared on a modified accrual basis. Revenues are budgeted in the year the receipt is expected, and expenditures including encumbrances, are budgeted in the year the applicable purchase orders are expected to be issued. Unencumbered appropriations for budgeted funds lapse at the fiscal year end.

The enterprise funds: Utility Fund is budgeted on a full accrual basis. Expenditures are recognized when incurred and revenues are recognized when earned.

The Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances based on "generally accepted accounting principles" (GAAP). In most cases this conforms to the way the City prepares its budget.

There are three exceptions:

- (1) The treatment of depreciation expense is not shown in the budget. The full purchase price of equipment and capital improvements are shown as expenditures. Purchase of capital improvements are depreciated in the CAFR on the entity-wide financial statements.
- (2) Compensated absences (accrued but unused sick leave) are treated differently in the budget than they are in the CAFR.
- (3) Proceeds from debt issuance are recognized as revenues and principal debt service payments are treated as expenditures for budget purposes, but are recorded as increases and reductions of liabilities on the entity-wide financial statements.

For the year ended September 30, 2003, the City implemented GASB 34 for financial reporting purposes. Entity-wide financial statements were presented first time in the Comprehensive Annual Financial Reports (CAFR). The CAFR shows major operating fund expenditures and revenues on both a GAAP basis and budget basis for comparison purposes.

**CITY OF THE COLONY  
BUDGET PREPARATION CALENDAR  
2008– 2009**

March 17 <sup>th</sup>	Budget workbooks are distributed.	All Departments
April 10 <sup>th</sup>	March expenditure reports are distributed.	All Departments
April 22 <sup>nd</sup>	Optional budget meeting.	All Departments
April 30 <sup>th</sup>	All Budgets are due in Finance. Every line item detail with dollars should be included along with all original forms properly filled out.	All Departments
April 30 <sup>th</sup>	New Personnel Requests and/or upgrade forms are due in Finance (if new and not included in CIP).	All Departments
April	Fleet Services will contact each Department to review their vehicle and mobile equipment lists. Any additional needs and/or requests will be made at this time. This information will then be reviewed and finalized with the Finance Director, Public Works Director and Assistant City Manager.  The Information Technology Manager will contact each Department to review their computer hardware/software lists. Any additional needs and/or requests will be made at this time. This information will then be reviewed and finalized with the Finance Director and the Assistant City Manager.	All Departments/ Fleet Services Department  Information Technology Department/Finance Department
May 30 <sup>th</sup>	Preliminary Budget to City Manager for review	
July	City Manager, Assistant City Manager, and Finance Director review the City's overall budget.	All Departments
July	City Manager prepares 2008-09 budget message.	City Manager
July 25 <sup>th</sup>	Certified Tax Roll turned in by the Denton Central Appraisal District.	Finance Department
July 31 <sup>st</sup>	The 2008-09 Annual Operating Preliminary Budget is presented to the City Secretary, Mayor, and Council.	City Manager, Assistant City Manager and Finance Director
August	Mayor schedules budget work sessions and public hearing.	City Mayor
August	Various budget work sessions.	City Council and All Departments
September	Public Hearing	City Council
September 15 <sup>th</sup>	Adopt the 2008-2009 budget	City Council



## MAJOR REVENUES 2008-2009 BUDGET

### Ad Valorem Tax:

The City must base its property tax rate on the certified roll provided by the Denton Central Appraisal District. The only variables to be set are the tax rate and the collection percentage. The current tax rate is \$.69 per \$100 of valuation. The collection percentage is set at 99% based on historically high collection rates. Delinquent tax collections are unstable and difficult to predict. The City takes a conservative approach and budgets no more than was received in the prior year with a minimal increase. Total Ad Valorem tax revenues are budgeted to increase by \$723,960 based on tax base growth and after a one percent estimated uncollectible taxes.

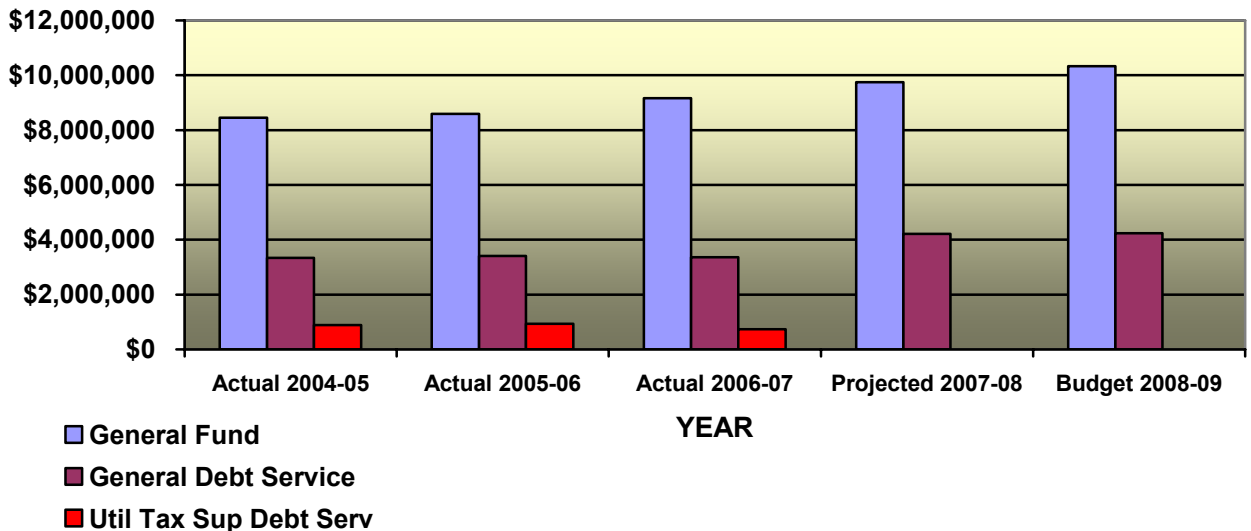
Assumption: 99% collection rate on adopted tax rate of Certified Roll.

Trend Data:

### Ad Valorem Tax

	Actual 2004-05	Actual 2005-06	Actual 2006-07	Projected 2007-08	Budget 2008-09
General Fund	\$ 8,448,472	\$ 8,589,075	\$ 9,168,931	\$ 9,750,000	\$ 10,335,090
General Debt Service	3,340,492	3,402,957	3,363,302	4,213,120	4,240,039
Util Tax Sup Debt Serv	886,778	929,179	737,757	0	0
	<u>\$12,675,742</u>	<u>\$ 12,921,211</u>	<u>\$ 13,269,990</u>	<u>\$ 13,963,120</u>	<u>\$ 14,575,129</u>

### AD VALOREM TAX



Franchise Tax:

These taxes are based on a percentage of the utilities’ gross receipts or formula set by State. Projections are based on population increases and projected utility use. However, use is usually related to weather conditions and therefore difficult to project.

The City has a high electric use because of the lack of gas lines in various parts of the City. The electric franchise provides over half the franchise revenue for the City and is a critical driver in formulating the anticipated future collections. If the summer and winter are more severe than the previous year, the City will reap the surplus. (Electric de-regulations went into effect in 2002).

In August of 1995, the City entered into a new agreement with SBC on franchise taxes. The new contract allowed the City to be paid a set minimum of \$180,000 with growth factors thereafter. Beginning in fiscal year 2005-06, TXU Electric started paying the franchise fees on a quarterly basis thus inflating the franchise tax revenues from electricity for that year.

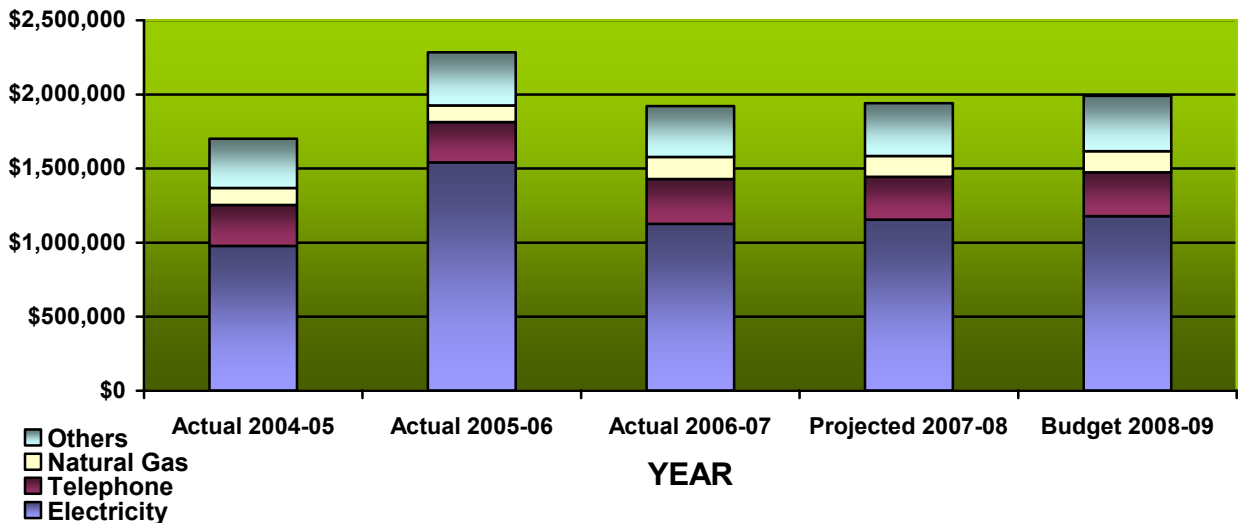
Assumption: Based on projected revenue.

Trend Data:

**Franchise Tax – General Fund**

	Actual 2004-05	Actual 2005-06	Actual 2006-07	Projected 2007-08	Budget 2008-09
Electricity	\$ 978,204	\$ 1,541,191	\$ 1,127,066	\$ 1,155,000	\$ 1,178,100
Telephone	276,743	273,264	301,495	290,000	295,800
Natural Gas	112,998	111,786	149,365	140,000	142,800
Others	333,050	358,908	342,740	356,000	373,500
	\$ 1,700,995	\$ 2,285,149	\$ 1,920,666	\$ 1,941,000	\$ 1,990,200

**FRANCHISE TAX – GENERAL FUND**



Sales Tax:

The sales tax projection includes both sales taxes and mixed beverage tax. Aggregate historical data is used to project future sales tax revenues. A conservative approach is taken toward sales tax because of their dependability on economic conditions. Sales tax projections increase by \$296,000 more than fiscal year 2007-2008 due to increased consumer spending and the business growth of Edward Don & Company's regional distributing center. In the event the economy continues to grow and with added business coming into the City the City stands to reap the surplus.

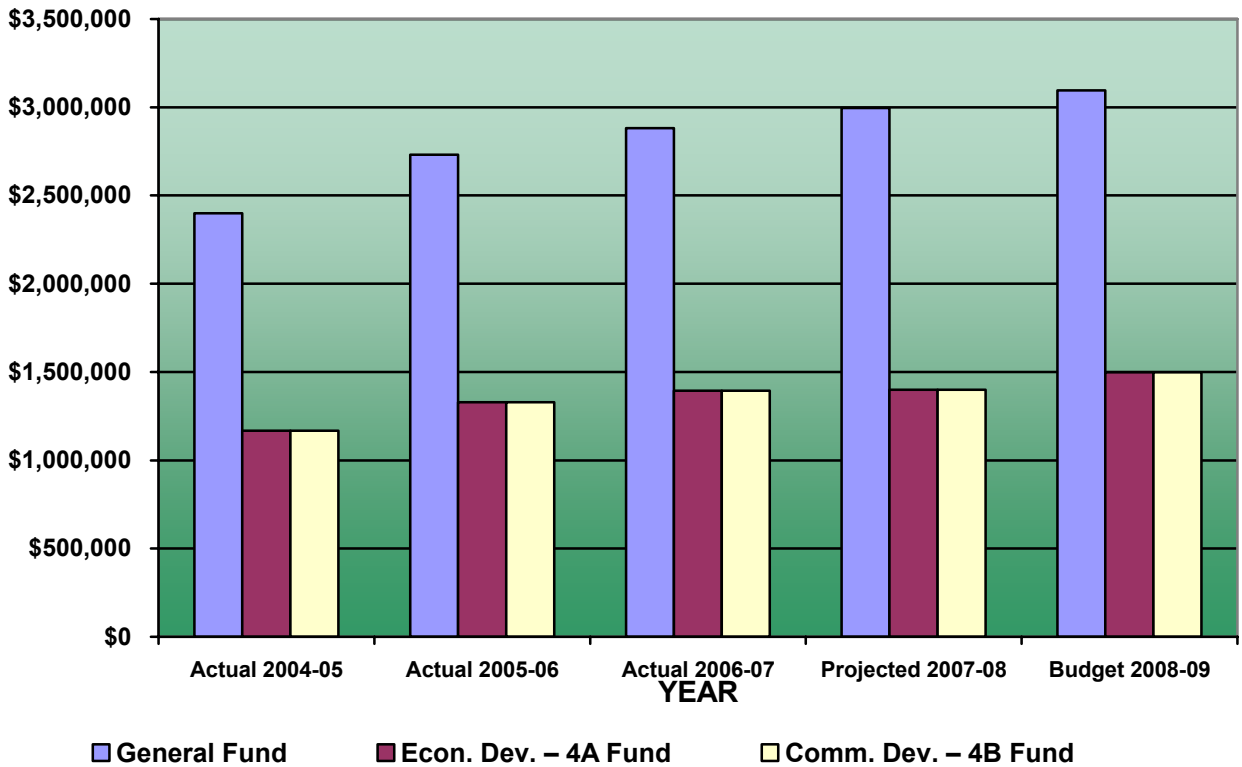
Assumption: Based on projected revenue.

Trend Data:

**Sales Tax**

	Actual 2004-05	Actual 2005-06	Actual 2006-07	Projected 2007-08	Budget 2008-09
General Fund	\$ 2,399,776	\$ 2,731,402	\$ 2,880,852	\$ 2,996,000	\$ 3,096,000
Econ. Dev. – 4A Fund	1,167,038	1,329,558	1,394,327	1,400,000	1,498,000
Comm. Dev. – 4B Fund	1,167,038	1,329,558	1,394,327	1,400,000	1,498,000
<b>Total</b>	<b>\$ 4,733,852</b>	<b>\$ 5,390,518</b>	<b>\$ 5,669,506</b>	<b>\$ 5,796,000</b>	<b>\$ 6,092,000</b>

**SALES TAX**



Water & Wastewater Fees:

Water and wastewater rates were increased by 6.75% as of October 1, 2008. Total revenues are projected to increase by approximately 7.66% from the revised 2007-2008 projections. The City stands to reap extra revenue if drought conditions occur. If unusual wet conditions appear, the revenue projections will be adjusted at mid-year and the expenses will be realigned accordingly. Fiscal year 2007-2008 has been a relatively normal North Texas year and revenues were a little bit higher than original budget. New tap connection fees are initiated for fiscal year 2007-08.

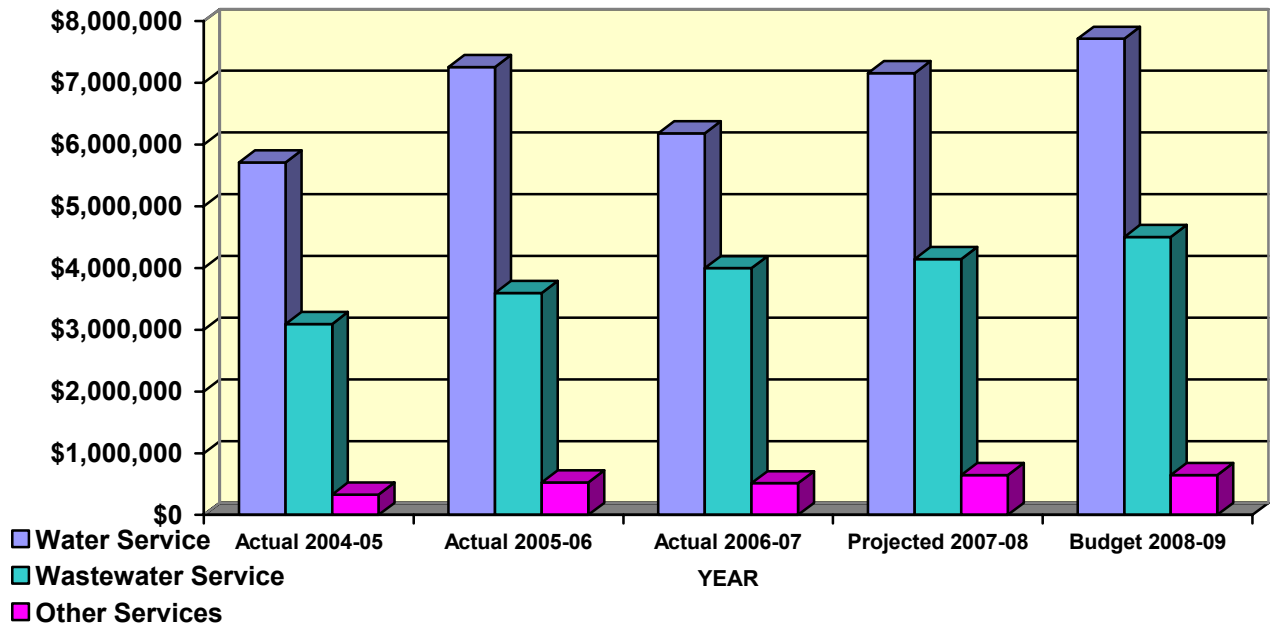
Assumption: Based on projected revenue.

Trend Data:

**Water & Wastewater Fees – Utility Fund**

	Actual 2004-05	Actual 2005-06	Actual 2006-07	Projected 2007-08	Budget 2008-09
Water Service	\$ 5,712,034	\$ 7,256,333	\$ 6,181,970	\$ 7,157,950	\$ 7,714,000
Wastewater Service	3,094,351	3,594,068	3,997,214	4,146,000	4,504,260
Other Services	330,655	528,897	513,452	647,167	648,000
<b>Total</b>	<b>\$ 9,137,040</b>	<b>\$11,379,298</b>	<b>\$10,692,636</b>	<b>\$11,951,117</b>	<b>\$ 12,866,260</b>

**WATER AND WASTEWATER FEES - UTILITY FUND**



Charges for Services:

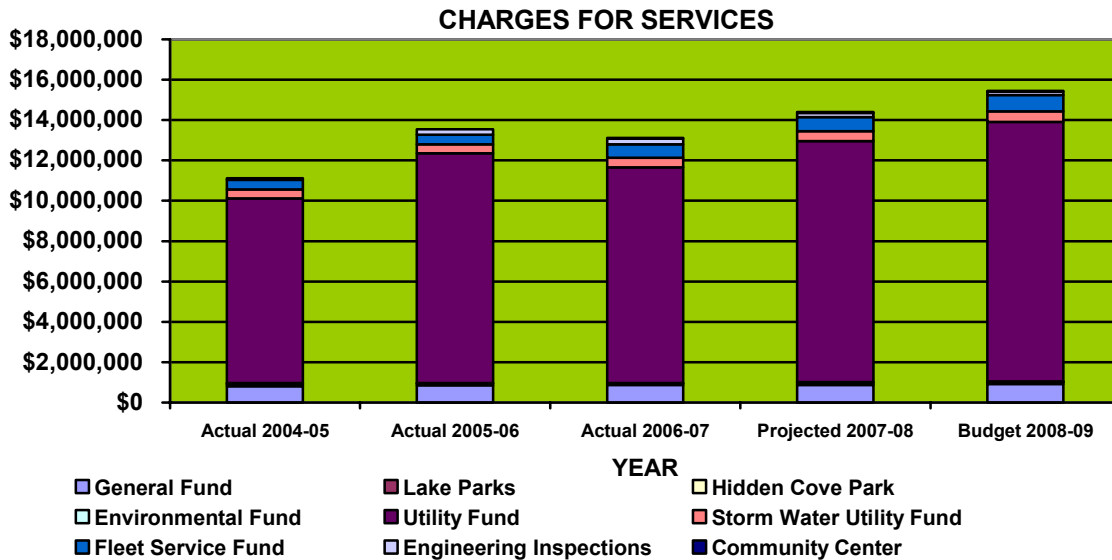
Charges for services are revenues the City generates by charging fees to use City parks, ambulance calls, county library funds in the General Fund, the Hidden Cove Park Fund and the Lake Parks Fund. Charges to customers for usage of recycling services, water and sewer, community center and engineering inspections are included in various funds. A storm water utility fee was incorporated as of October 1, 2004 to manage surface runoff. The fee is charged to individual households (\$2.50 per month) and commercial establishments based on impervious service area. Charges to other departments from the City garage, an Internal Service Fund, for maintaining the City fleet, are part of this revenue source. The total revenues are increasing over the years due to rate changes, population growth and new commercial development in The Colony.

Assumption: Based on customer usage for services.

Trend Data:

**Charges for Services**

	Actual 2004-05	Actual 2005-06	Actual 2006-07	Projected 2007-08	Budget 2008-09
General Fund	\$ 810,809	\$ 852,808	\$ 872,720	\$ 872,460	\$ 912,540
Lake Parks	89,034	91,985	74,118	105,200	105,200
Hidden Cove Park	59,599	6,246	5,684	6,200	6,000
Environmental Fund	15,541	16,180	18,898	24,000	24,000
Utility Fund	9,137,040	11,379,298	10,692,636	11,951,117	12,866,260
Storm Water Utility Fund	449,012	456,494	465,650	496,000	524,000
Fleet Service Fund	479,860	477,835	661,835	696,835	797,120
Engineering Inspections	71,843	257,834	284,684	203,000	175,000
Community Center	0	2,278	40,267	41,426	35,480
<b>Total</b>	<b>\$11,112,738</b>	<b>\$13,540,958</b>	<b>\$13,116,492</b>	<b>\$14,396,238</b>	<b>\$15,445,600</b>



Investment Income:

The City invests its cash in two pools, the TexPool and the Local Government Investment Cooperative (LOGIC). Both pools are local government investment pools created for local government entities. To diversify its portfolio, the City invests some of its idle cash in US Agencies notes. The City’s investment objectives are preservation and safety of principal, liquidity and yield consistent with the Texas Public Funds Investment Act. Both pools offer a convenient and effective choice for the investment of the City’s cash. TexPool is rated as AAAM and LOGIC is rated as AAA/MR1+. Because of the financial crisis and the deterioration of the economy, the Central Bank is cutting interest rate to historically low level which lowers the interest earning projection for 2008-09. The following trend data represents all investments earned for the City which includes budgeted funds only.

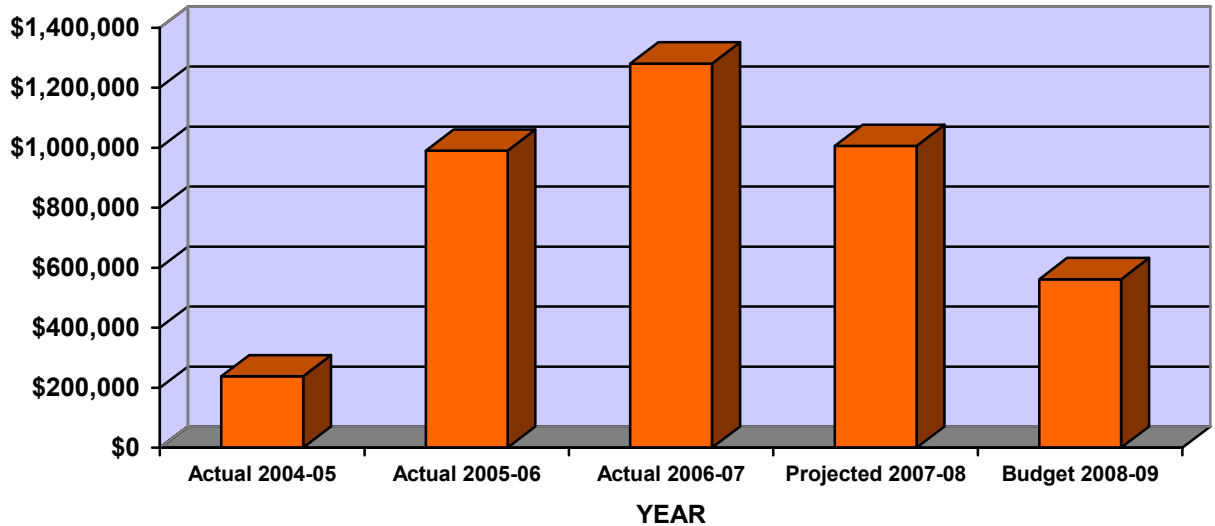
Assumption: Based on available cash and projected interest rates.

Trend Data:

**Investment Income**

Actual 2004-05	Actual 2005-06	Actual 2006-07	Projected 2007-08	Budget 2008-09
\$ 238,188	\$ 989,914	\$ 1,280,564	\$ 1,006,290	\$ 562,050

**INVESTMENT INCOME**



Transfers to General Fund:

The City allocates a General Fund reimbursement amount from the Utility Fund every year. The calculation takes into consideration three factors: payment in lieu of taxes, a franchise percentage of revenues, and an indirect cost factor. This year the transfer is increased to \$1,755,000.

To cover administrative costs, transfers from Lake Parks (\$35,000), is budgeted for fiscal year 2008-2009. To recuperate start-up costs and subsequent loans to the Storm Water Utility Fund, \$83,609 is budgeted to be transferred to the General Fund. \$19,700 is budgeted to be transferred from the Hotel/Motel Tax Fund to the General Fund to cover overtime expenses for the July 4<sup>th</sup> festivities, and the Veterans Day celebration.

Transfer of \$50,000 from the Hidden Cove Park is to reimburse expenditures advanced to the Hidden Cove Park from the General Fund. The Community Development 4B Fund is to transfer \$213,148 for repaying constructing the Hawaiian Falls parking lot (\$138,148) and operations of Five Star Sports Complex (\$75,000). \$375,000 was transferred to the 4B Fund in fiscal year 2006-07 with the intention of repaying the loan in three years with interest. The Economic Development 4A Fund transfer of \$150,000 is to pay for the Edward Don sales tax rebate and property tax abatement and other administrative costs. The exact amount has yet to be determined when more data becomes available.

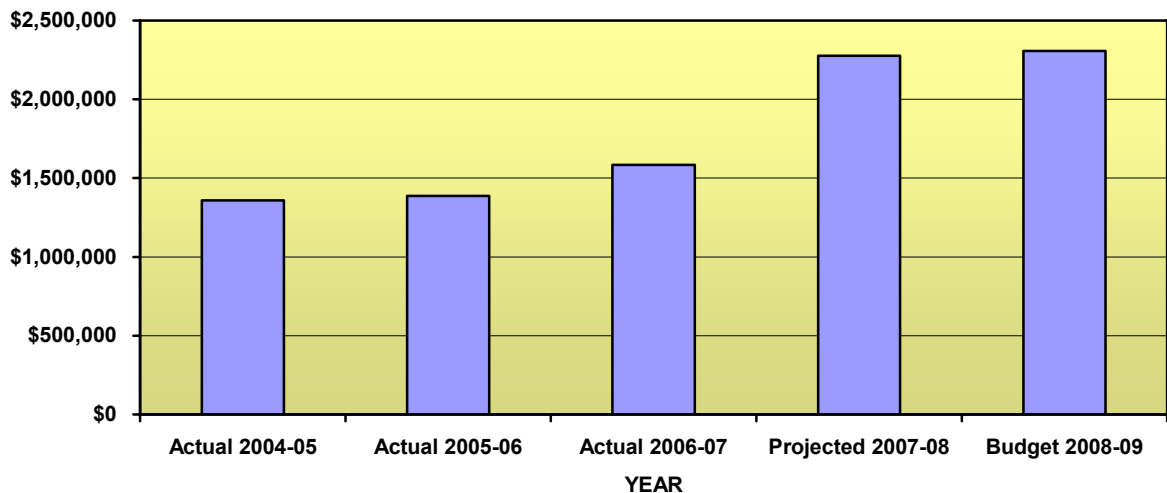
Assumption: Based on calculation of payments in lieu of taxes, franchise fees, and indirect costs, administrative overhead, and close out of funds.

Trend Data:

**Transfers to General Fund**

Actual 2004-05	Actual 2005-06	Actual 2006-07	Projected 2007-08	Budget 2008-09
\$ 1,358,569	\$ 1,387,494	\$ 1,583,200	\$ 2,275,648	\$ 2,306,457

**TRANSFERS IN - GENERAL FUND**





CITY OF THE COLONY

Breakdown of Transfer from Utility Fund to General Fund 2008-2009

A. Payment in lieu of Taxes:				
2007 Financial Statement				
Fixed Assets	\$90,961,551	\$ .69/100val.		\$ 627,635
B. Franchise Taxes:				
2007 Financial Statement				
Water/Sewer Revenues		11,359,084	4%	454,363
C. Administrative Fee:				
2007 Financial Statement:				
General Governmental		2,928,499	50%	1,464,250
Utility Administration		1,651,027	48.338%	(791,248)
				<u>\$1,755,000</u>

Breakdown of Transfer from Utility Fund to General Fund 2007-2008

A. Payment in lieu of Taxes:				
2006 Financial Statement				
Fixed Assets	\$77,532,377	\$ .6975/100val.		\$ 540,788
B. Franchise Taxes:				
2006 Financial Statement				
Water/Sewer Revenues		12,559,463	4%	502,379
C. Administrative Fee:				
2006 Financial Statement:				
General Governmental		2,484,684	50%	1,242,342
Utility Administration		1,659,923	28.638%	(730,509)
				<u>\$1,555,000</u>

**CITY OF THE COLONY  
AUTHORIZED PERSONNEL  
FISCAL YEAR 2008 - 2009**

2006-2007      2007-2008      2008-2009

GENERAL FUND	2006-2007		2007-2008		2008-2009	
	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME
Planning Department	14	0	15	0	15	0
General Administration	3	0	3	0	3	0
City Secretary	2	0	2	0	2	0
Human Resources	3	0	3	0	3	0
Finance	6	0	6	0	6	0
Information Technology	4	0	5	0	5	0
Municipal Court	4	1	5	0	5	0
Parks & Recreation	18	5	19	6	19	7
Aquatic Park	2	8	2	9	2	9
Fire Department	40	0	50	0	50	0
Police Department	70	15	75	15	78	15
Library	10	6	11	6	11	6
Engineering	5	1	5	1	5	1
Public Works	20	0	20	0	20	0
<b>FUND TOTAL</b>	<b>201</b>	<b>36</b>	<b>221</b>	<b>37</b>	<b>224</b>	<b>38</b>

UTILITY FUND	2006-2007		2007-2008		2008-2009	
	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME
Water Production	7	0	8	0	8	0
Water Distribution	16	0	18	0	18	0
Wastewater	6	0	6	0	6	0
Utility Administration	7	0	7	0	7	0
Payroll Administration	1	0	1	0	1	0
Public Works Administration	3	0	3	0	3	0
Facilities Maintenance	3	0	3	0	3	0
<b>FUND TOTAL</b>	<b>43</b>	<b>0</b>	<b>46</b>	<b>0</b>	<b>46</b>	<b>0</b>

SPECIAL FUNDS	2006-2007		2007-2008		2008-2009	
	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME
Environmental Fund	1	0	1	0	1	0
Fleet Services Fund	6	0	6	0	6	0
Economic Development - 4A	2	0	2	0	2	0
Community Development - 4B	1	0	1	0	1	0
Engineering Inspections	4	0	4	0	4	0
Storm Water Utility Fund	3	0	3	0	3	0
Capital Projects Administration*	0	0	0	0	0	0
Community Center	1	1	1	1	1	1
Special Events**	1	0	1	0	1	0
<b>SPECIAL FUNDS TOTAL</b>	<b>19</b>	<b>1</b>	<b>19</b>	<b>1</b>	<b>19</b>	<b>1</b>
<b>TOTAL EMPLOYEES</b>	<b>263</b>	<b>37</b>	<b>286</b>	<b>38</b>	<b>289</b>	<b>39</b>

\*All personnel are included in other Departments and costs are expensed in this fund.

\*\* 10% of the personnel cost is funded by Hotel/Motel Tax Fund.

**CONSOLIDATED FUND SUMMARY  
2008-2009**

Fund Name	Operating Revenues	Operating Expenditures	Excess/ (Deficiency)	Other Revenues or Expenditures	Beginning Balance	Other Adjustments/ Reserved	Ending Balance
General Fund	20,248,721	21,913,178	(1,664,457)	1,664,457	6,009,903	(890,929)	5,118,974
Utility Fund	12,956,260	8,524,519	4,431,741	(4,805,000)	3,616,249	(408,790)	2,834,200
General Debt	4,335,039	5,240,003	(904,964)	903,980	1,191,212	(544,401)	645,827
Utility Tax Debt	10,000	1,616,461	(1,606,461)	1,600,000	313,548	-	307,087
Revenue Bond Debt	480,000	2,353,193	(1,873,193)	1,972,000	2,052,698	(1,850,378)	301,127
Lake Parks	147,920	189,760	(41,840)	(35,000)	77,427	-	587
Hidden Cove Park	56,000	-	56,000	(50,000)	(387,398)	-	(381,398)
Environmental	61,200	154,061	(92,861)	64,000	43,945	-	15,084
Fleet Services Fund	818,720	814,607	4,113	-	128,353	-	132,466
Economic Development - 4A	1,598,000	3,104,817	(1,506,817)	(329,307)	3,507,248	(148,646)	1,522,478
Community Development - 4B	1,533,000	487,417	1,045,583	(1,020,727)	1,001,914	-	1,026,770
Hotel/Motel Tax Fund	145,500	36,655	108,845	(249,200)	279,817	-	139,462
Storm Water Utility	528,000	682,890	(154,890)	(103,609)	260,154	-	1,655
Capital Projects Administration	10,000	461,255	(451,255)	400,000	599,217	-	547,962
Engineering Inspections	185,500	270,357	(84,857)	(17,094)	184,884	-	82,933
Special Events Fund	28,750	257,451	(228,701)	219,500	66,710	-	57,509
Court Security	35,100	131,200	(96,100)	-	239,501	-	143,401
Court Technology	41,200	128,400	(87,200)	-	118,111	-	30,911
Community Center	35,480	157,199	(121,719)	108,000	34,451	-	20,732
<b>GRAND TOTALS</b>	<b>43,254,390</b>	<b>46,523,423</b>	<b>(3,269,033)</b>	<b>322,000</b>	<b>19,337,944</b>	<b>(3,843,144)</b>	<b>12,547,767</b>

COMBINED FUNDS  
Summary of Revenues and Expenditures/Expenses  
For Revised 07 - 08 & 08 - 09 Budget Years

	04-05 Actual	05-06 Actual	06-07 Actual	07-08 Budget	07-08 Revised	08-09 Budget
<b>REVENUES:</b>						
General Fund	15,275,546	17,114,163	17,835,553	18,589,902	19,208,872	20,248,721
Utility Fund	9,182,035	11,465,933	10,886,945	12,144,800	12,131,117	12,956,260
General Debt Service	3,398,413	3,492,579	3,551,115	4,283,120	4,369,120	4,335,039
Utility Tax Debt	910,461	971,931	810,708	10,000	45,490	10,000
Revenue Debt	653,202	921,238	500,307	470,000	500,000	480,000
Lake Parks	137,650	145,279	144,734	157,920	202,276	147,920
Hidden Cove Park (1)	112,599	56,246	75,684	53,000	56,200	56,000
Environmental Fund	26,618	28,155	108,668	60,900	62,570	61,200
Fleet Services Fund	490,581	502,854	681,823	697,135	764,135	818,720
Economic Development - 4A	1,248,785	4,475,240	1,682,835	1,580,000	1,580,000	1,598,000
Community Development - 4B	1,180,522	1,385,191	1,444,566	1,455,000	1,455,000	1,533,000
Hotel/Motel Tax Fund	134,732	156,612	161,420	153,500	149,800	145,500
Storm Water Utility Fund	453,107	460,254	474,160	503,000	503,000	528,000
Capital Projects Administration Fund	5,801	18,557	25,336	20,000	20,000	10,000
Engineering Inspections	73,085	262,518	300,340	186,000	213,520	185,500
Special Events Fund	11,105	92,033	21,812	17,050	27,626	28,750
Court Security	29,957	35,018	39,302	-	35,100	35,100
Court Technology	36,488	41,858	43,562	-	41,200	41,200
Community Center	-	2,278	40,765	32,438	41,426	35,480
<b>TOTAL REVENUES</b>	<b>33,360,687</b>	<b>41,627,937</b>	<b>38,829,635</b>	<b>40,413,765</b>	<b>41,406,452</b>	<b>43,254,390</b>
<b>TRANSFERS IN:</b>						
General Fund	1,358,569	1,387,478	1,583,200	2,275,648	2,275,648	2,306,457
Utility Fund	-	15,091	-	-	-	-
General Debt Service	758,289	853,416	889,867	941,784	941,784	903,980
Utility Tax Debt	1,924,106	2,434,761	2,246,185	1,601,050	1,601,050	1,600,000
Revenue Debt	762,000	622,000	722,000	1,972,000	1,972,000	1,972,000
Hidden Cove Park (1)	27,500	-	-	-	-	-
Environmental Fund	59,000	59,000	64,000	64,000	64,000	64,000
Fleet Services	-	-	-	-	-	-
Economic Development - 4A	-	-	-	-	-	-
Community Development - 4B	-	40,000	375,000	-	-	-
Hotel/Motel Tax Fund	-	-	-	-	51,636	-
Storm Water Utility Fund	50,000	115,183	-	-	250,000	-
Capital Projects Administration	748,433	400,000	400,000	400,000	400,000	400,000
Engineering Inspections	50,000	-	-	-	-	-
Special Events Fund	50,000	135,000	135,626	113,000	113,000	219,500
Community Center	-	40,000	101,000	109,000	109,000	108,000
<b>TOTAL TRANSFERS IN</b>	<b>5,787,897</b>	<b>6,101,929</b>	<b>6,516,878</b>	<b>7,476,482</b>	<b>7,778,118</b>	<b>7,573,937</b>
<b>TOTAL REVENUES &amp; TRANSFERS IN</b>	<b>39,148,584</b>	<b>47,729,866</b>	<b>45,346,513</b>	<b>47,890,247</b>	<b>49,184,570</b>	<b>50,828,327</b>
<b>EXPENDITURES/EXPENSES:</b>						
General Fund	15,756,925	17,027,004	18,150,695	20,622,550	20,508,751	21,913,178
Utility Fund	5,729,063	6,254,294	6,398,013	7,510,891	7,410,637	8,524,519
General Debt Service	4,065,819	4,168,999	4,459,072	5,132,677	5,118,985	5,240,003
Utility Tax Debt	2,899,815	3,274,147	3,015,671	1,615,174	1,615,173	1,616,461
Revenue Debt	1,356,553	1,367,110	1,365,802	2,393,880	2,444,899	2,353,193
Lake Parks	102,562	113,802	89,033	197,741	197,741	189,760
Hidden Cove Park (1)	133,214	-	20,000	-	2,007	-
Environmental Fund	67,900	78,701	159,456	152,086	154,263	154,061
Fleet Services Fund	506,527	514,198	569,943	739,093	751,656	814,607
Economic Development - 4A	487,891	1,691,932	2,784,308	2,171,109	3,329,630	3,104,817
Community Development - 4B	141,119	163,122	175,899	435,312	437,109	487,417
Hotel/Motel Tax Fund	5,333	13,954	13,031	200,600	201,917	36,655
Storm Water Utility Fund	243,155	605,557	323,788	418,454	456,804	682,890
Capital Projects Administration Fund	327,704	344,115	358,905	380,808	391,403	461,255
Engineering Inspections	97,043	141,837	261,250	256,024	248,576	270,357
Special Events Fund	55,618	192,631	84,173	135,882	199,189	257,451
Court Security	5,761	8	14,834	-	4,000	131,200
Court Technology	8,412	32,766	11,531	-	17,416	128,400
Community Center	-	28,212	126,111	140,041	145,695	157,199
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>31,990,414</b>	<b>36,012,389</b>	<b>38,381,515</b>	<b>42,502,322</b>	<b>43,635,851</b>	<b>46,523,423</b>

COMBINED FUNDS  
Summary of Revenues and Expenditures/Expenses  
For Revised 07 - 08 & 08 - 09 Budget Years

	04-05 Actual	05-06 Actual	06-07 Actual	07-08 Budget	07-08 Revised	08-09 Budget
<b>TRANSFERS OUT:</b>						
General Fund	340,159	359,730	804,068	243,000	836,384	642,000
Utility Fund	3,508,256	3,779,761	4,028,280	4,633,350	4,633,350	4,805,000
Lake Parks	-	30,000	35,000	35,000	35,000	35,000
Hidden Cove Park (1)	-	50,000	50,000	50,000	50,000	50,000
Economic Development - 4A	47,914	128,666	179,398	179,079	179,079	329,307
Community Development - 4B	1,025,375	887,880	1,068,595	1,299,033	1,704,338	1,020,727
Hotel/Motel Taxes	40,000	134,200	133,700	134,000	146,396	249,200
Storm Water Utility Fund	53,569	54,000	203,627	114,000	114,000	103,609
Engineering Inspections	-	-	-	17,020	17,020	17,094
Special Events Fund	-	15,000	-	-	-	-
<b>TOTAL TRANSFERS OUT</b>	<b>5,015,273</b>	<b>5,439,237</b>	<b>6,502,668</b>	<b>6,704,482</b>	<b>7,715,567</b>	<b>7,251,937</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS OUT</b>	<b>37,005,687</b>	<b>41,451,626</b>	<b>44,884,183</b>	<b>49,206,804</b>	<b>51,351,418</b>	<b>53,775,360</b>
<b>EXCESS (DEFICIENCY)</b>	<b>2,142,897</b>	<b>6,278,240</b>	<b>462,330</b>	<b>(1,316,557)</b>	<b>(2,166,848)</b>	<b>(2,947,033)</b>
<b>BEGINNING FUND BALANCE:</b>						
General Fund	3,754,590	4,291,621	5,406,528	5,870,518	5,870,518	6,009,903
Utility Fund	1,676,782	1,621,498	3,068,467	3,529,119	3,529,119	3,616,249
General Debt Service	749,504	840,387	1,017,383	999,293	999,293	1,191,212
Utility Tax Debt	173,662	108,414	240,959	282,181	282,181	313,548
Revenue Debt	1,934,315	1,992,964	2,169,092	2,025,597	2,025,597	2,052,698
Lake Parks	50,626	85,714	87,191	107,892	107,892	77,427
Hidden Cove Park (1)	(410,406)	(403,521)	(397,275)	(391,591)	(391,591)	(387,398)
Environmental Fund	32,254	49,972	58,426	71,638	71,638	43,945
Fleet Services Fund	31,284	15,338	3,994	115,874	115,874	128,353
Economic Development - 4A	3,172,626	3,933,520	6,716,828	5,435,957	5,435,957	3,507,248
Community Development - 4B	725,072	739,100	1,113,289	1,688,361	1,688,361	1,001,914
Hotel/Motel Tax Fund	314,148	403,547	412,005	426,694	426,694	279,817
Storm Water Utility Fund	8,950	215,333	131,213	77,958	77,958	260,154
Capital Projects Administration Fund	3,217	429,747	504,189	570,620	570,620	599,217
Engineering Inspections	51,147	77,189	197,870	236,960	236,960	184,884
Special Events Fund	27,119	32,606	52,008	125,273	125,273	66,710
Court Security	124,727	148,923	183,933	208,401	208,401	239,501
Court Technology	25,128	53,204	62,296	94,327	94,327	118,111
Community Center	-	-	14,066	29,720	29,720	34,451
<b>TOTAL BEGINNING BALANCE</b>	<b>12,444,745</b>	<b>14,635,556</b>	<b>21,042,462</b>	<b>21,504,792</b>	<b>21,504,792</b>	<b>19,337,944</b>
<b>ENDING FUND BALANCE:</b> (before adjustments and reserves)						
General Fund	4,291,621	5,406,528	5,870,518	5,870,518	6,009,903	6,009,903
Utility Fund	1,621,498	3,068,467	3,529,119	3,529,678	3,616,249	3,242,990
General Debt Service	840,387	1,017,383	999,293	1,091,520	1,191,212	1,190,228
Utility Tax Debt	108,414	240,959	282,181	278,057	313,548	307,087
Revenue Debt	1,992,964	2,169,092	2,025,597	2,073,717	2,052,698	2,151,505
Lake Parks	85,714	87,191	107,892	33,071	77,427	587
Hidden Cove Park (1)	(403,521)	(397,275)	(391,591)	(388,591)	(387,398)	(381,398)
Environmental Fund	49,972	58,426	71,638	44,452	43,945	15,084
Fleet Services Fund	15,338	3,994	115,874	73,916	128,353	132,466
Economic Development - 4A	3,933,520	6,716,828	5,435,957	4,665,769	3,507,248	1,671,124
Community Development - 4B	739,100	1,113,289	1,688,361	1,409,016	1,001,914	1,026,770
Hotel/Motel Tax Fund	403,547	412,005	426,694	245,594	279,817	139,462
Storm Water Utility Fund	215,333	131,213	77,958	48,504	260,154	1,655
Capital Projects Administration Fund	429,747	504,189	570,620	609,812	599,217	547,962
Engineering Inspections	77,189	197,870	236,960	149,916	184,884	82,933
Special Events Fund	32,606	52,008	125,273	119,441	66,710	57,509
Court Security	148,923	183,933	208,401	208,401	239,501	143,401
Court Technology	53,204	62,296	94,327	94,327	118,111	30,911
Community Center	-	14,066	29,720	31,117	34,451	20,732
<b>TOTAL ENDING BALANCE</b>	<b>14,635,556</b>	<b>21,042,462</b>	<b>21,504,792</b>	<b>20,188,235</b>	<b>19,337,944</b>	<b>16,390,911</b>

(1) Hidden Cove Park operation was privatized on January 1, 2005.

**COMBINED FUNDS**  
**Revenue & Expenditure Projections by Category**  
**For the 2008-2009 Budget Year**  
**With Comparative totals for the Year Ended September 30, 2008 and 2007**

**Special Revenue Funds**

	<b>General Fund</b>	<b>Lake Parks Fund</b>	<b>Hidden Cove Park</b>	<b>Environmental Fund</b>	<b>Economic Development Corporation</b>	<b>Community Development Corporation</b>	<b>Hotel/Motel Tax Fund</b>	<b>Capital Projects Administration</b>	<b>Engineering Inspections Fund</b>	<b>Community Center</b>
<b>Revenues</b>										
Ad Valorem Taxes	\$10,568,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Sales Taxes	3,096,000	-	-	-	1,498,000	1,498,000	-	-	-	-
Franchise Taxes	1,990,200	-	-	-	-	-	-	-	-	-
Hotel/Motel Taxes	-	-	-	-	-	-	135,500	-	-	-
Licenses & Permits	911,382	-	-	-	-	-	-	-	-	-
Charges for Services	912,540	105,200	6,000	24,000	-	-	-	-	175,000	35,480
Fines & Forfeitures	1,351,630	-	-	-	-	-	-	-	-	-
Investment Income	200,000	3,000	-	1,200	100,000	35,000	10,000	10,000	8,000	-
Grant Revenues	36,400	-	-	-	-	-	-	-	-	-
Court Security Revenue	-	-	-	-	-	-	-	-	-	-
Court Technology Revenue	-	-	-	-	-	-	-	-	-	-
Other Revenues	1,181,979	39,720	50,000	36,000	-	-	-	-	2,500	-
Proceeds from Debt Issuance	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>20,248,721</b>	<b>147,920</b>	<b>56,000</b>	<b>61,200</b>	<b>1,598,000</b>	<b>1,533,000</b>	<b>145,500</b>	<b>10,000</b>	<b>185,500</b>	<b>35,480</b>
<b>Expenditures</b>										
Personnel Services	16,419,505	216	-	87,416	259,626	203,419	16,955	446,255	167,567	95,224
Contractual Services	2,859,604	79,729	-	38,200	59,010	29,798	17,700	8,000	90,240	52,050
Supplies	785,990	5,745	-	26,125	7,650	3,950	2,000	6,000	10,900	6,125
Maintenance	1,305,273	29,070	-	2,320	500	250	-	1,000	1,650	3,800
Contingencies	-	-	-	-	20,000	250,000	-	-	-	-
Others	\$451,328	-	-	-	130,000	-	-	-	-	-
Capital Outlay	\$91,478	75,000	-	-	-	-	-	-	-	-
Economic Incentives	-	-	-	-	2,628,031	-	-	-	-	-
Debt Service Payments	-	-	-	-	-	-	-	-	-	-
Reserved for Encumbrances	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>21,913,178</b>	<b>189,760</b>	<b>-</b>	<b>154,061</b>	<b>3,104,817</b>	<b>487,417</b>	<b>36,655</b>	<b>461,255</b>	<b>270,357</b>	<b>157,199</b>
<b>Other Sources and Uses of Funds</b>										
Transfers In	2,306,457	-	-	64,000	-	-	-	400,000	-	108,000
Transfers Out	(642,000)	(35,000)	(50,000)	-	(329,307)	(1,020,727)	(249,200)	-	(17,094)	-
<b>Total Other Sources and Uses</b>	<b>1,664,457</b>	<b>(35,000)</b>	<b>(50,000)</b>	<b>64,000</b>	<b>(329,307)</b>	<b>(1,020,727)</b>	<b>(249,200)</b>	<b>400,000</b>	<b>(17,094)</b>	<b>108,000</b>
<b>Excess (Deficiency)</b>	<b>-</b>	<b>(76,840)</b>	<b>6,000</b>	<b>(28,861)</b>	<b>(1,836,124)</b>	<b>24,856</b>	<b>(140,355)</b>	<b>(51,255)</b>	<b>(101,951)</b>	<b>(13,719)</b>
<b>Beginning Fund Balance</b>	<b>6,009,903</b>	<b>77,427</b>	<b>(387,398)</b>	<b>43,945</b>	<b>3,507,248</b>	<b>1,001,914</b>	<b>279,817</b>	<b>599,217</b>	<b>184,884</b>	<b>34,451</b>
<b>Ending Fund Balance</b>	<b>6,009,903</b>	<b>587</b>	<b>(381,398)</b>	<b>15,084</b>	<b>1,671,124</b>	<b>1,026,770</b>	<b>139,462</b>	<b>547,962</b>	<b>82,933</b>	<b>20,732</b>
<b>Surplus Used</b>	<b>(498,929)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reserved</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(148,646)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Designated for Hidden Cove Park</b>	<b>(392,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unreserved and undesignated Ending Fund Balance</b>	<b>\$5,118,974</b>	<b>\$587</b>	<b>(\$381,398)</b>	<b>\$15,084</b>	<b>\$1,522,478</b>	<b>\$1,026,770</b>	<b>\$139,462</b>	<b>\$547,962</b>	<b>\$82,933</b>	<b>\$20,732</b>

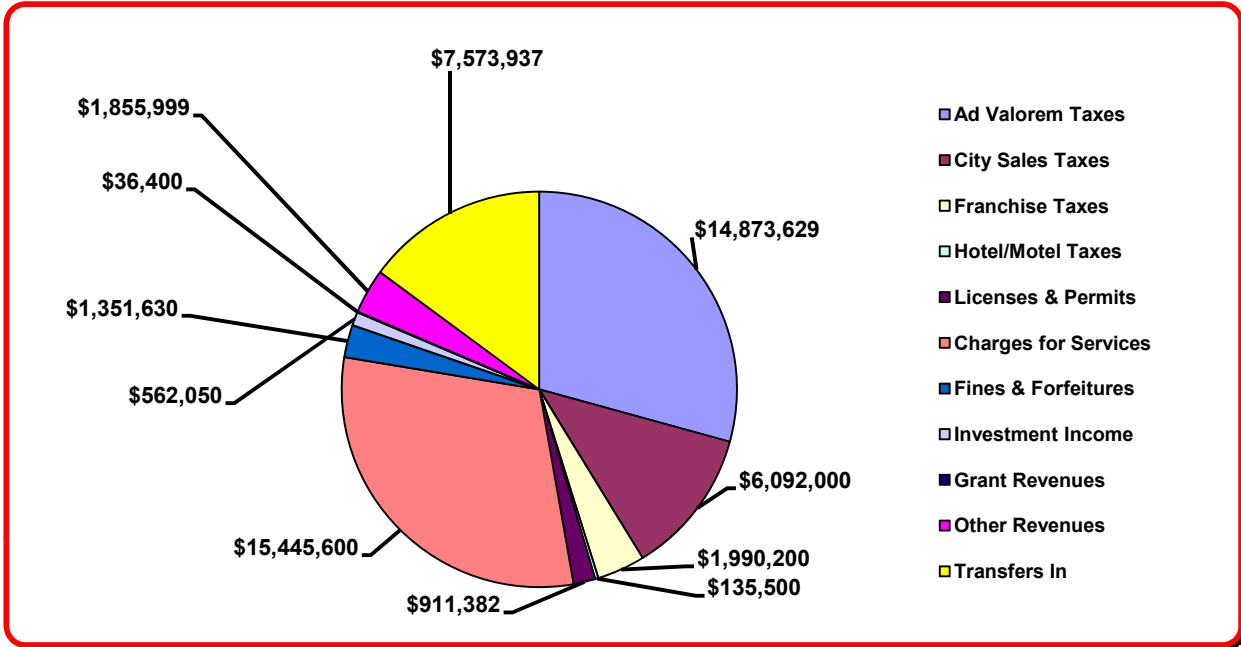
					Debt Service Funds			Proprietary	Combined Totals			
					Utility Tax			Fund				
Court Security	Court Technology	Special Events Fund	Storm Water Utility Fund	Fleet Service Fund	General Debt Service Fund	Supported Debt Service Fund	Revenue Debt Service Fund	Utility Fund	Original Budget 2009	Revised Budget 2008	Actual	2007
\$ -	\$ -	\$ -	\$ -	\$ -	\$4,305,039	\$ -	\$ -	\$ -	\$14,873,629	\$14,391,110	\$13,532,763	
-	-	-	-	-	-	-	-	-	6,092,000	5,796,000	5,669,506	
-	-	-	-	-	-	-	-	-	1,990,200	1,941,000	1,920,666	
-	-	-	-	-	-	-	-	-	135,500	131,800	141,495	
-	-	-	-	-	-	-	-	-	911,382	1,400,328	805,226	
-	-	-	524,000	797,120	-	-	-	12,866,260	15,445,600	14,396,238	13,116,492	
-	-	-	-	-	-	-	-	-	1,351,630	1,189,890	1,160,854	
6,600	3,200	750	4,000	300	30,000	10,000	50,000	90,000	562,050	1,006,290	1,280,564	
-	-	-	-	-	-	-	-	-	36,400	35,478	224,429	
28,500	-	-	-	-	-	-	-	-	28,500	28,500	29,820	
-	38,000	-	-	-	-	-	-	-	38,000	38,000	39,760	
-	-	28,000	-	21,300	-	-	430,000	-	1,789,499	1,051,818	908,060	
-	-	-	-	-	-	-	-	-	-	-	-	
35,100	41,200	28,750	528,000	818,720	4,335,039	10,000	480,000	12,956,260	43,254,390	41,406,452	38,829,635	
-	-	66,301	272,300	434,182	-	-	-	3,027,746	21,496,712	19,832,952	17,750,404	
1,200	5,200	191,150	138,700	11,090	-	-	-	2,401,131	5,982,802	5,500,987	4,271,211	
130,000	4,000	-	16,000	148,860	-	-	-	2,271,085	3,424,430	3,016,346	2,565,198	
-	7,200	-	53,000	205,475	-	-	-	749,557	2,359,095	2,032,927	1,629,874	
-	-	-	-	-	-	-	-	-	270,000	281,000	2,863	
-	-	-	-	-	3,000	3,000	4,000	-	591,328	261,800	691,184	
-	112,000	-	202,890	15,000	-	-	-	\$75,000	571,368	661,944	383,064	
-	-	-	-	-	-	-	-	-	2,628,031	2,878,838	2,318,804	
-	-	-	-	-	5,237,003	1,613,461	2,349,193	-	9,199,657	9,169,057	8,832,336	
-	-	-	-	-	-	-	-	-	-	-	(63,423)	
131,200	128,400	257,451	682,890	814,607	5,240,003	1,616,461	2,353,193	8,524,519	46,523,423	43,635,851	38,381,515	
-	-	219,500	-	-	903,980	1,600,000	1,972,000	-	7,573,937	7,778,118	6,516,878	
-	-	-	(103,609)	-	-	-	-	(4,805,000)	(7,251,937)	(7,715,567)	(6,502,668)	
-	-	219,500	(103,609)	-	903,980	1,600,000	1,972,000	(4,805,000)	322,000	62,551	14,210	
(96,100)	(87,200)	(9,201)	(258,499)	4,113	(984)	(6,461)	98,807	(373,259)	(2,947,033)	(2,166,848)	462,330	
239,501	118,111	66,710	260,154	128,353	1,191,212	313,548	2,052,698	3,616,249	19,337,944	21,504,792	21,042,462	
143,401	30,911	57,509	1,655	132,466	1,190,228	307,087	2,151,505	3,242,990	16,390,911	19,337,944	21,504,792	
-	-	-	-	-	-	-	-	-	(498,929)	-	-	
-	-	-	-	-	(544,401)	-	(1,850,378)	(408,790)	(2,952,215)	(2,952,825)	(2,844,857)	
-	-	-	-	-	-	-	-	-	(392,000)	(392,000)	(392,000)	
\$143,401	\$30,911	\$57,509	\$1,655	\$132,466	\$645,827	\$307,087	\$301,127	\$2,834,200	\$12,547,767	\$15,993,119	\$18,267,935	

**MAJOR OPERATING FUNDS**  
**Expenditure Chart by Department**  
**For the Fiscal Year 2008-2009**

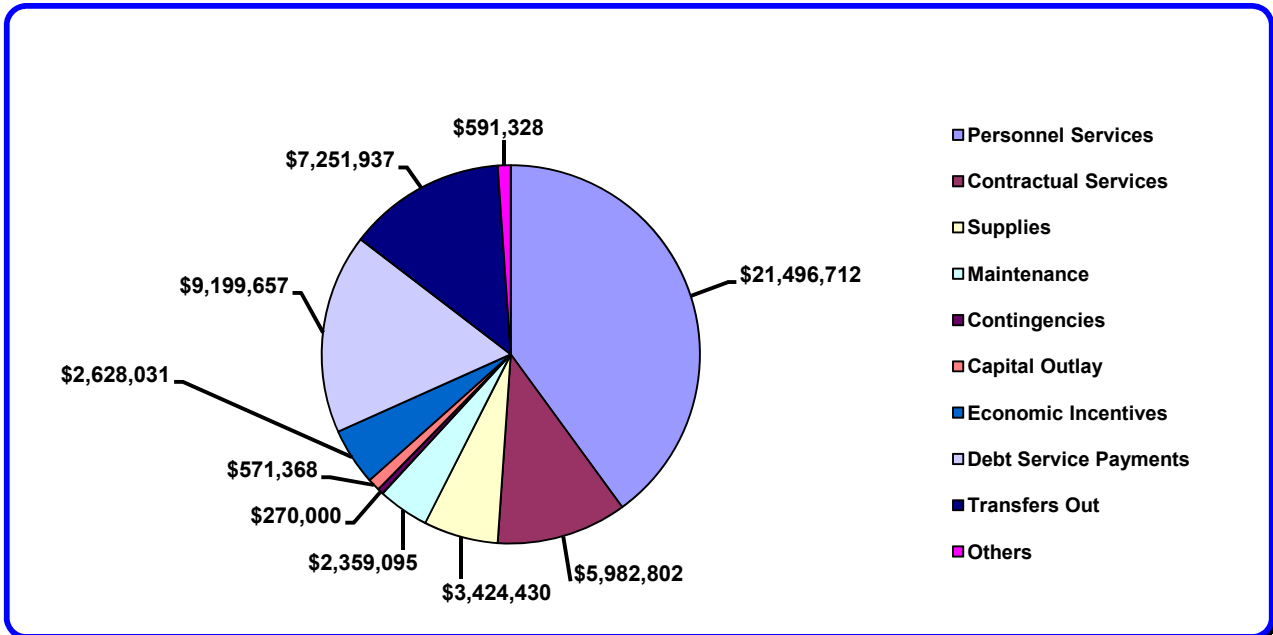
	<b>General Fund</b>	<b>Utility Fund</b>
Nondepartmental	\$ 4,013,147	\$ 6,342,361
General Administration	364,251	-
City Council	21,340	-
Development Services	1,127,634	-
City Secretary	234,416	-
Human Resources	324,221	-
Finance	521,480	-
Information Technology	725,161	-
Municipal Court	351,705	-
Parks & Recreation	1,917,602	-
Aquatic Parks	355,858	-
Fire	4,229,374	-
Police	5,910,901	-
Library	884,698	-
Engineering	149,693	-
Public Works	1,423,697	342,762
Water Production	-	2,672,173
Water Distribution	-	1,466,028
Wastewater	-	1,059,312
Utility Administration	-	923,704
Payroll Administration	-	112,964
Facilities Maintenance	-	410,215
<b>Total Expenditures</b>	<b>22,555,178</b>	<b>13,329,519</b>

**COMBINED FUNDS  
2008-2009 BUDGET**

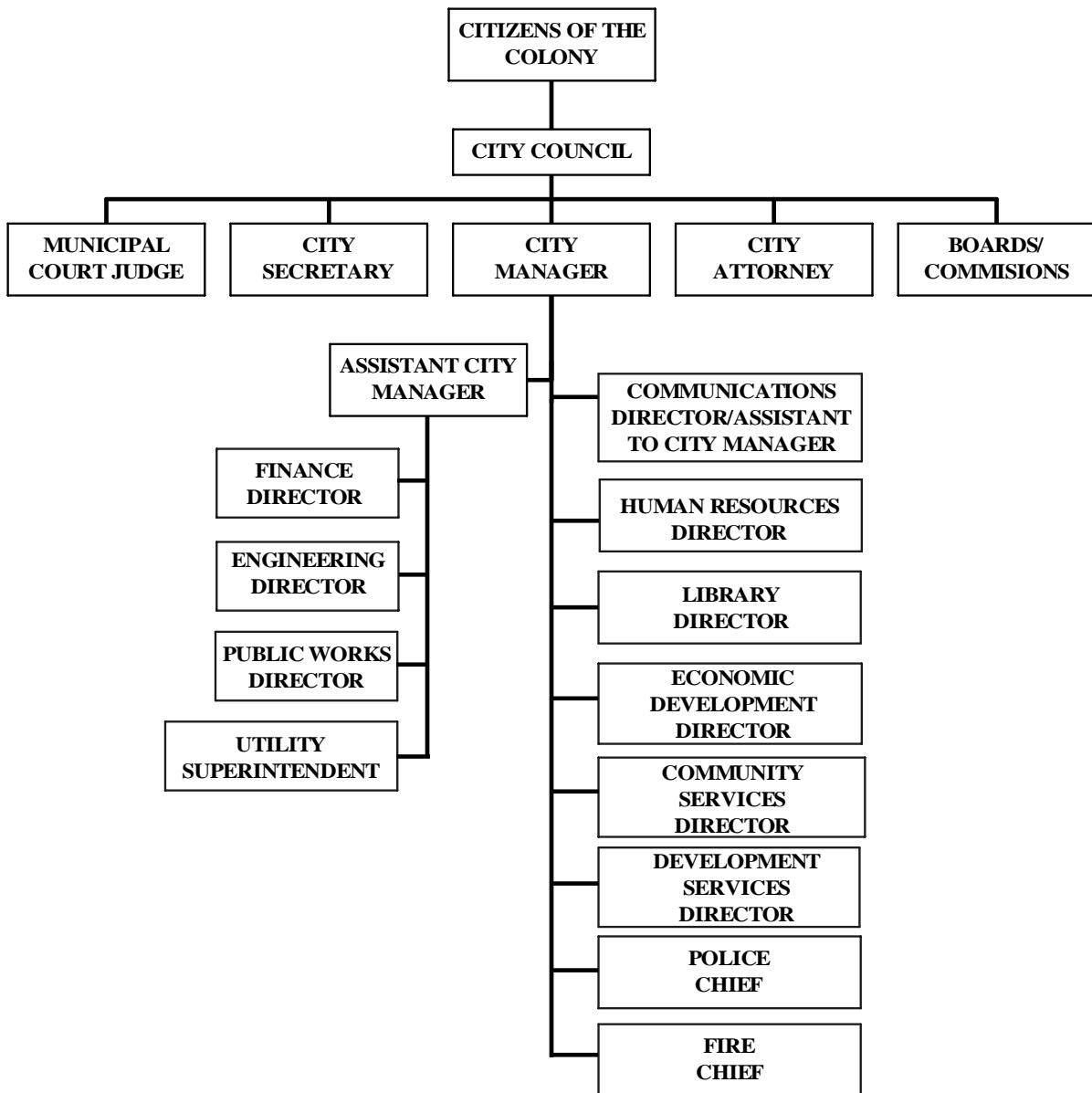
**REVENUES & TRANSFERS IN**



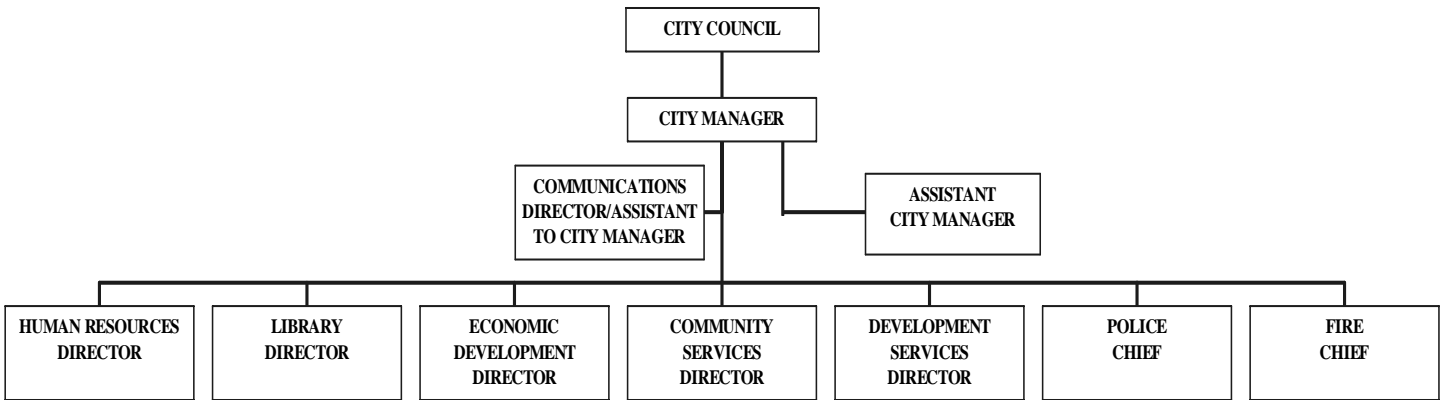
**EXPENDITURES & TRANSFERS OUT**



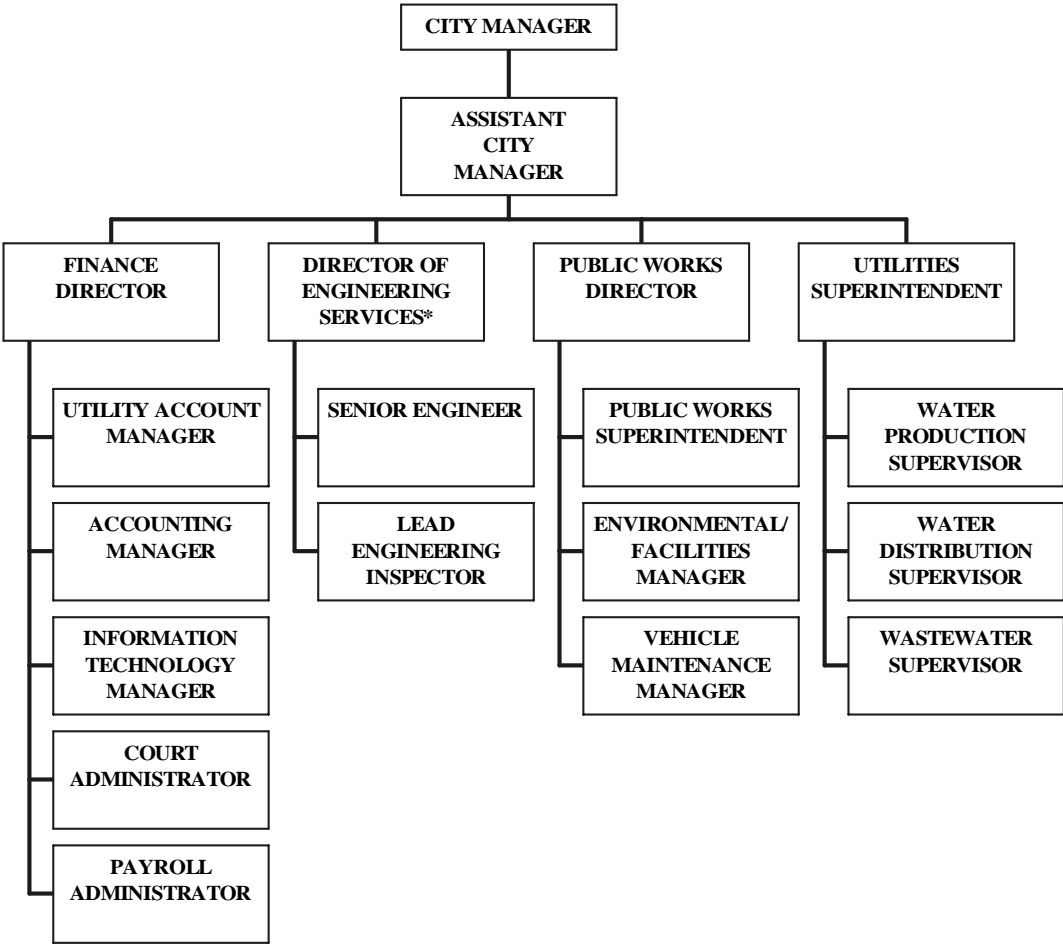
# CITY OF THE COLONY ORGANIZATIONAL CHART 2008-2009 BUDGET



# CITY MANAGER ORGANIZATIONAL CHART 2008-2009 BUDGET



# ASSISTANT CITY MANAGER ORGANIZATIONAL CHART 2008-2009 BUDGET



\*Other personnel, who report to the Director of Engineering Services, are paid in other funds.