

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF THE COLONY, TEXAS
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET BASIS)
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES				
Ad valorem taxes, penalties and interest	\$ 9,364,082	\$ 9,376,082	\$ 9,345,067	\$ (31,015)
Franchise taxes	1,855,000	1,850,000	1,920,666	70,666
Municipal sales tax	2,710,000	2,810,000	2,880,852	70,852
Licenses and permits	952,463	432,430	700,036	267,606
Charge for services	844,064	848,751	1,011,419	162,668
Fines and forfeitures	1,044,845	1,039,910	1,127,347	87,437
Grants	27,114	180,091	201,579	21,488
Interest earned	300,000	350,000	359,275	9,275
Miscellaneous	329,400	364,150	309,315	(54,835)
Total revenues	<u>17,426,968</u>	<u>17,251,414</u>	<u>17,855,556</u>	<u>604,142</u>
EXPENDITURES				
Current:				
General government:				
Developmental services	865,035	1,019,203	952,598	66,605
General administration	332,117	349,032	344,342	4,690
City secretary	199,427	212,769	212,365	404
City council	21,780	24,182	21,296	2,886
Human resources	266,578	294,891	294,628	263
Finance	478,450	547,390	542,875	4,515
Information technology	585,409	616,733	560,395	56,338
Nondepartmental	3,639,247	2,206,338	1,752,650	453,688
Public safety:				
Municipal court	287,508	307,839	304,472	3,367
Fire	3,257,645	3,676,481	3,552,856	123,625
Police	4,817,034	5,248,928	5,218,847	30,081
Public works:				
Inspections				
Engineering	208,544	212,471	209,958	2,513
Public works	1,326,796	1,347,774	1,234,589	113,185
Culture and recreation:				
Parks and recreation	1,858,099	2,289,434	2,194,248	95,186
Aquatic park	334,838	367,182	359,576	7,606
Library	725,965	776,419	770,005	6,414
Total expenditures	<u>19,204,472</u>	<u>19,497,066</u>	<u>18,525,700</u>	<u>971,366</u>
Excess (deficiency) of revenues over expenditures	<u>(1,777,504)</u>	<u>(2,245,652)</u>	<u>(670,144)</u>	<u>1,575,508</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets				
Transfers from other funds	1,563,200	1,563,200	1,563,200	
Transfers to other funds	(253,000)	(429,068)	(429,068)	
Total other financing sources (uses)	<u>1,310,200</u>	<u>1,134,132</u>	<u>1,134,132</u>	
NET CHANGE IN FUND BALANCE	(467,304)	(1,111,520)	463,988	1,575,508
FUND BALANCES, BEGINNING OF YEAR	<u>5,621,770</u>	<u>5,621,770</u>	<u>5,621,770</u>	
FUND BALANCES, END OF YEAR	<u>\$ 5,154,466</u>	<u>\$ 4,510,250</u>	<u>\$ 6,085,758</u>	<u>\$ 1,575,508</u>

**CITY OF THE COLONY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2007**

BUDGETARY INFORMATION

The City Council adheres to the following procedures in establishing the budgets reflected in the financial statements:

1. Prior to July 31, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. The proposed budget is filed with the City Secretary not less than 30 days prior to the time the City Council approves the tax levy for the fiscal year commencing the following October 1. Public hearings are conducted to obtain taxpayers' comments.
3. Prior to October 1, the budget is legally enacted by the City Council through passage of an ordinance.
4. The City Manager has authority to transfer appropriation balances from one expenditure account to another within a single department of the City. Only the City Council may transfer any unencumbered appropriation balance or portion thereof from one department to another. Appropriations lapse at the end of the fiscal year.

An annual budget is legally adopted for the General Fund using the budgetary basis of accounting. The budgetary basis of accounting differs from accounting principals generally accepted in the United States of America in that encumbrances are recorded as expenditures in the period they are encumbered and not when incurred.

**CITY OF THE COLONY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2007**

A reconciliation from the budgetary basis of accounting for expenditures to GAAP basis for the General Fund is as follows:

	Budgetary Basis Expenditures 9/30/2007	Encumbrances Outstanding 9/30/2006	Encumbrances Outstanding 9/30/2007	GAAP Basis Expenditures 9/30/2007
General Fund:				
General government:				
Developmental services	\$ 952,598	\$	\$ (7,000)	\$ 945,598
General administration	344,342		(5)	344,337
City secretary	212,365		(53)	212,312
City council	21,296			21,296
Human resources	294,628		(41)	294,587
Finance	542,875	7,361	(5,617)	544,619
Information Technology	560,395	23,044	163	583,602
Nondepartmental	1,752,650	77,600	(12,065)	1,818,185
Public safety:				
Municipal court	304,472		(291)	304,181
Fire	3,552,856	47,909	(1,803)	3,598,962
Police	5,218,847	1,292	(2,789)	5,217,350
Public works:				
Engineering	209,958	5,808	(9,204)	206,562
Public works	1,234,589	172	(13,637)	1,221,124
Culture and recreation:				
Parks and recreation	2,194,248	52,055	(97,627)	2,148,676
Aquatic park	359,576		(1,473)	358,103
Library	770,005		(376)	769,629
	<u>\$ 18,525,700</u>	<u>\$ 215,241</u>	<u>\$ (151,818)</u>	<u>\$ 18,589,123</u>