

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 21st, 2009, the City Council adopted the 2009-10 Annual Operating Budget and approved the 2009 Ad Valorem Tax Rate.

**CITY OF THE COLONY
BUDGET PREPARATION CALENDAR
2009 – 2010**

March 19 th	Budget workbooks are distributed.	All Departments
April 10 th	March expenditure reports are distributed.	All Departments
April 16 th	Optional budget meeting	All Departments
April 30 th	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 th	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 is available to review with departments their computer hardware/software needs if requested.	All Departments/ Fleet Services Department All Departments/ Information Technology Department
May 29 th	Preliminary Budget to City Manager for review	
July	City Manager, Assistant City Manager, and Finance Director review the City's overall budget.	All Departments/City Manager And Finance Director
July	City Manager prepares 2009-2010 budget message.	City Manager
July 25 th	Certified Tax Roll turned in by the Denton Central Appraisal District.	Finance Department
July 31 st	The 2009-2010 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.	Mayor
August	Various budget work sessions.	City Council and All Departments
September	Public Hearing	City Council
September 21 st	Adopt the 2009-2010 budget	City Council

BUDGET AMENDMENTS

The budget can be amended after adoption with City Council's 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. Expenditures in the General Fund 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.



MAJOR REVENUES 2009-2010 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 \$.688 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 what was received in the prior year with a minimal increase. Total Ad Valorem tax revenues are budgeted to increase by \$43,588 based on tax base growth due to new development and after a one percent estimated uncollectible taxes.

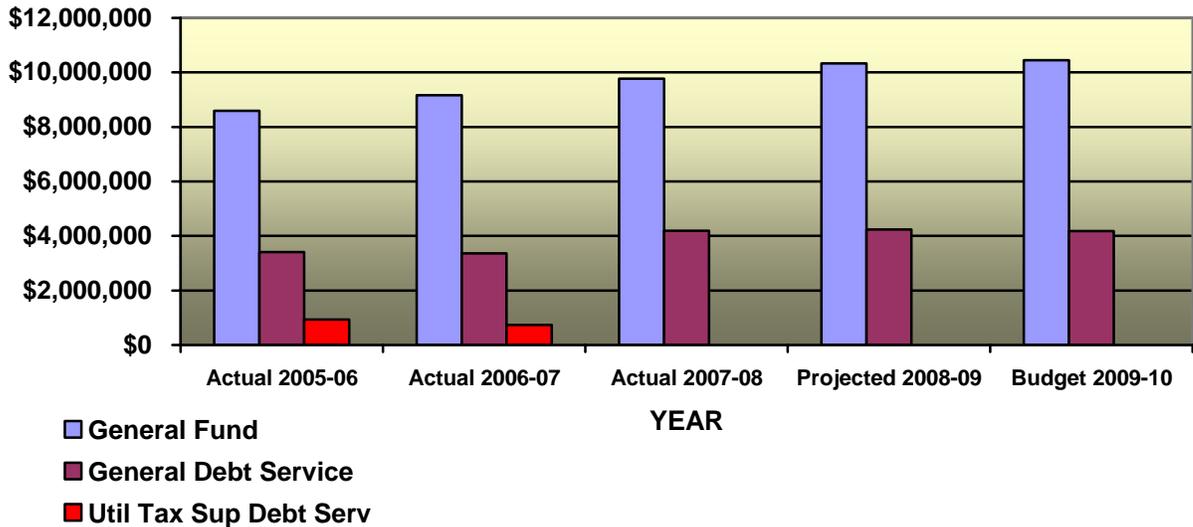
Assumption: 99% collection rate on adopted tax rate of Certified Roll.

Trend Data:

Ad Valorem Tax

	Actual 2005-06	Actual 2006-07	Actual 2007-08	Projected 2008-09	Budget 2009-10
General Fund	\$ 8,589,075	\$ 9,168,931	\$ 9,764,597	\$ 10,335,090	\$ 10,445,220
General Debt Service	3,402,957	3,363,302	4,193,509	4,240,039	4,173,497
Util Tax Sup Debt Serv	929,179	737,757	0	0	0
	\$12,921,211	\$ 13,269,990	\$ 13,958,106	\$ 14,575,129	\$ 14,618,717

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.

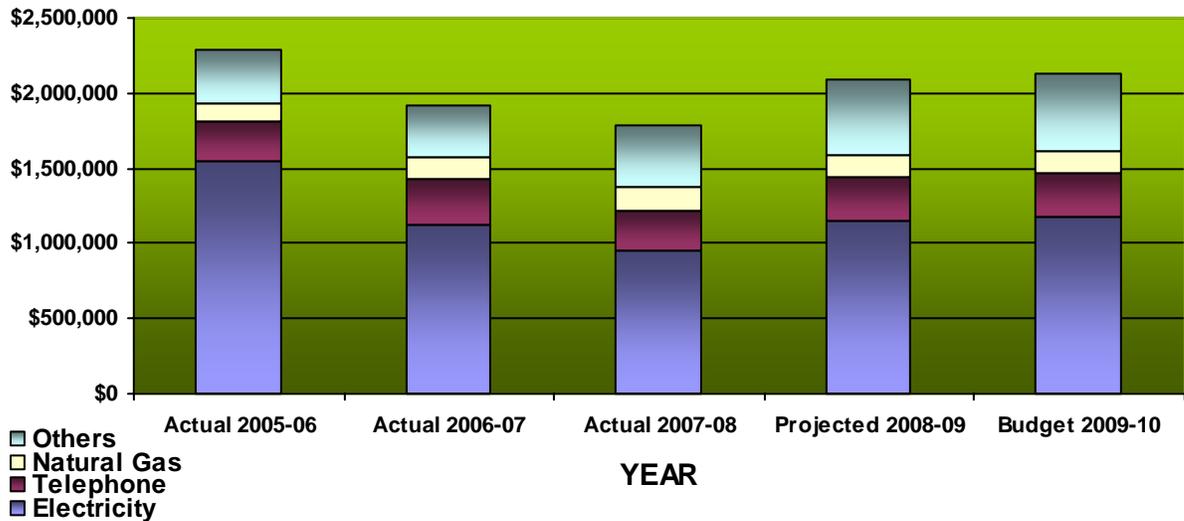
Assumption: Based on current year projected revenue.

Trend Data:

Franchise Tax – General Fund

	Actual 2005-06	Actual 2006-07	Actual 2007-08	Projected 2008-09	Budget 2009-10
Electricity	\$ 1,541,191	\$ 1,127,066	\$ 946,995	\$ 1,155,000	\$ 1,178,100
Telephone	273,264	301,495	268,329	290,000	295,800
Natural Gas	111,786	149,365	160,763	142,800	142,800
Others	358,908	342,740	406,733	504,000	507,000
	\$ 2,285,149	\$ 1,920,666	\$ 1,782,820	\$ 2,091,800	\$ 2,123,700

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 only by \$4,000 more than fiscal year 2008-2009 due to the deepening recession. In the event the economy recovers and with added business coming into the City, the City stands to reap the surplus.

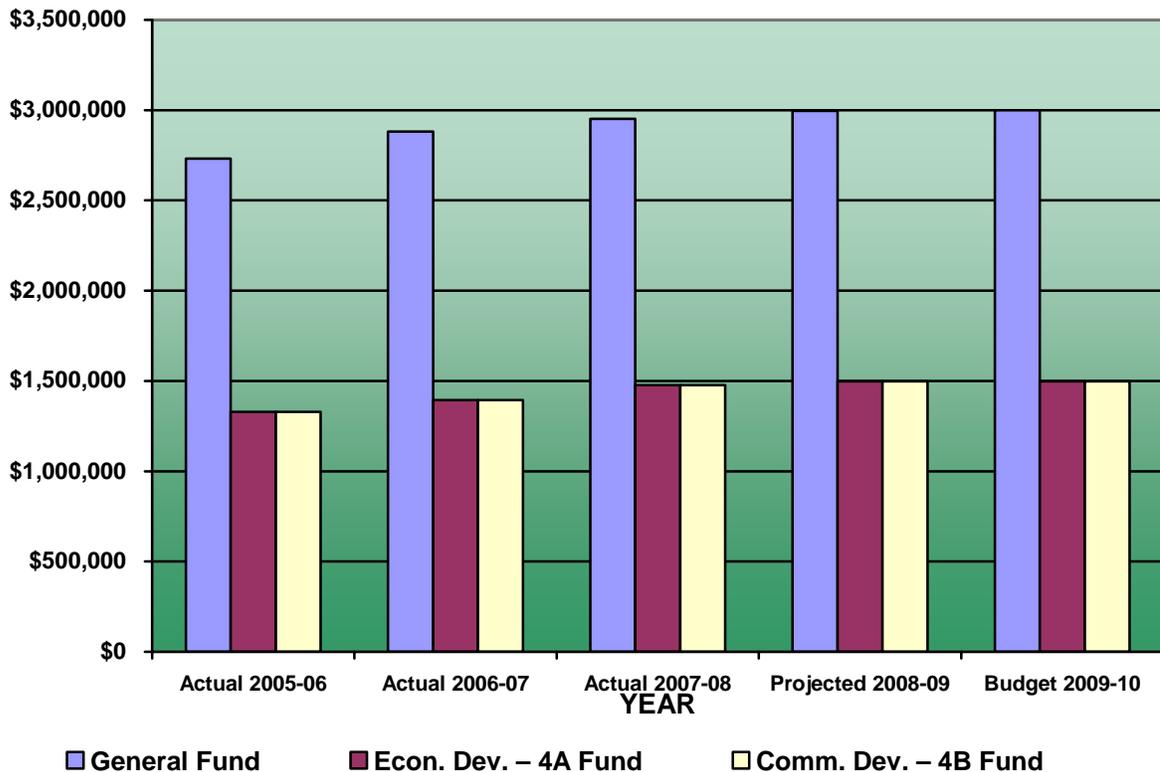
Assumption: Based on current year projected revenue.

Trend Data:

Sales Tax

	Actual 2005-06	Actual 2006-07	Actual 2007-08	Projected 2008-09	Budget 2009-10
General Fund	\$ 2,731,402	\$ 2,880,852	\$ 2,952,191	\$ 2,996,000	\$ 3,000,000
Econ. Dev. – 4A Fund	1,329,558	1,394,327	1,476,096	1,498,000	1,498,000
Comm. Dev. – 4B Fund	1,329,558	1,394,327	1,476,096	1,498,000	1,498,000
Total	\$ 5,390,518	\$ 5,669,506	\$ 5,904,383	\$ 5,992,000	\$ 5,996,000

SALES TAX



Water & Wastewater Fees:

There was no increase in the water and wastewater rates. Total revenues are projected to increase by approximately 2.27% from the revised 2008-2009 projections due to growth in population. 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 2008-2009 has seen a relatively wet summer and revenues were less than original budget. New tap connection fees are initiated for fiscal year 2007-08.

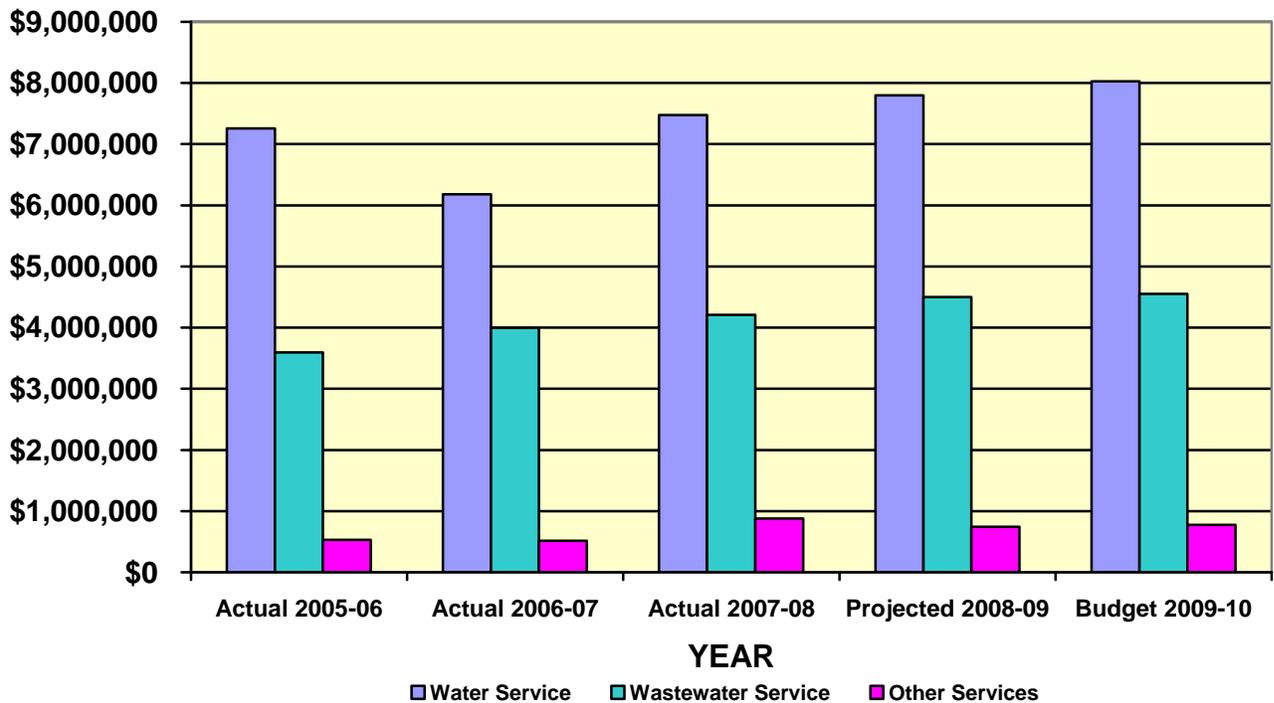
Assumption: Based on current year projected revenue.

Trend Data:

Water & Wastewater Fees – Utility Fund

	Actual 2005-06	Actual 2006-07	Actual 2007-08	Projected 2008-09	Budget 2009-10
Water Service	\$ 7,256,333	\$ 6,181,970	\$ 7,477,099	\$ 7,800,000	\$ 8,025,000
Wastewater Service	3,594,068	3,997,214	4,207,102	4,500,000	4,554,000
Other Services	528,897	513,452	878,450	741,900	773,000
Total	\$11,379,298	\$10,692,636	\$12,562,651	\$ 13,041,900	\$ 13,352,000

WATER AND WASTEWATER FEES - UTILITY FUND



Charges for Services:

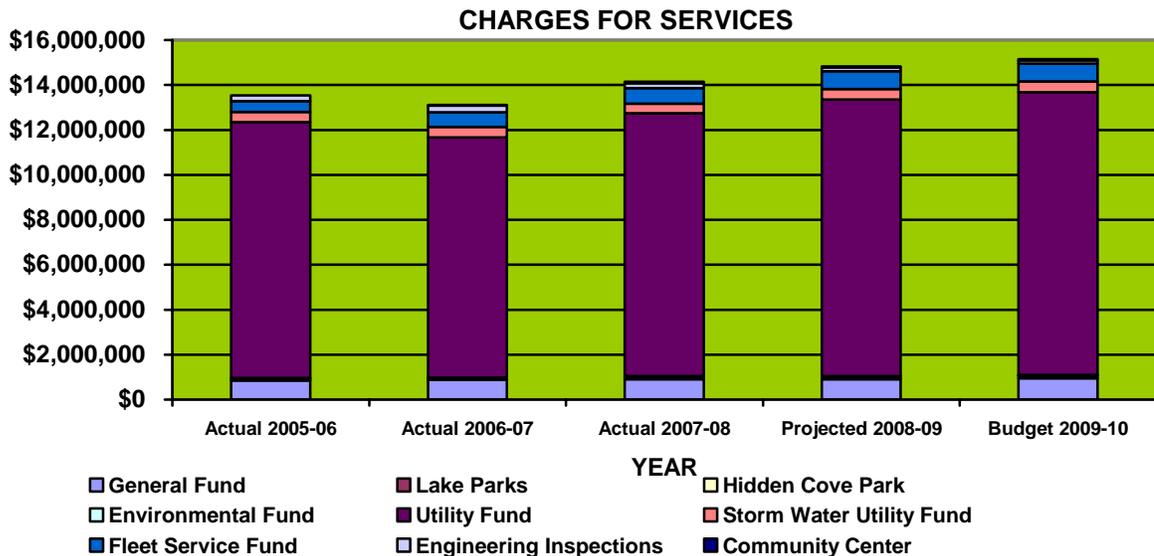
Charges for services are revenues the City generates by charging fees to use City parks, ambulance calls, county library funds in the General Fund, the Hidden Cove Park Fund and the Lake Parks Fund. Charges to customers for usage of recycling services, water and sewer, community center and engineering 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 2005-06	Actual 2006-07	Actual 2007-08	Projected 2008-09	Budget 2009-10
General Fund	\$ 852,808	\$ 872,720	\$ 903,402	\$ 904,770	\$ 946,946
Lake Parks	91,985	74,118	118,737	110,200	121,225
Hidden Cove Park	6,246	5,684	7,006	6,200	6,000
Environmental Fund	16,180	18,898	24,746	24,000	24,000
Utility Fund	11,379,298	10,692,636	11,684,111	12,300,000	12,579,000
Storm Water Utility Fund	456,494	465,650	432,256	472,000	485,000
Fleet Service Fund	477,835	661,835	696,835	797,120	796,120
Engineering Inspections	257,834	284,684	212,021	175,000	140,000
Community Center	2,278	40,267	60,106	40,530	48,876
Total	\$13,540,958	\$13,116,492	\$14,139,220	\$14,829,820	\$15,147,167



Investment Income:

The City invests its cash in three pools, the TexPool/TexPool Prime (Texas Local Government Investment Pools) and the Local Government Investment Cooperative (LOGIC) and TexasTERM/TexasDAILY Local Government Investment Pools. The 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. The three pools offer a convenient and effective choice for the investment of the City's cash. TexPool is rated as AAAM, LOGIC is rated as AAA/MR1+ and TexasTERM/TexasDAILY is rated as AAAM and AAAM. 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 2009-10. The following trend data represents all investments earned for the City which includes budgeted funds only.

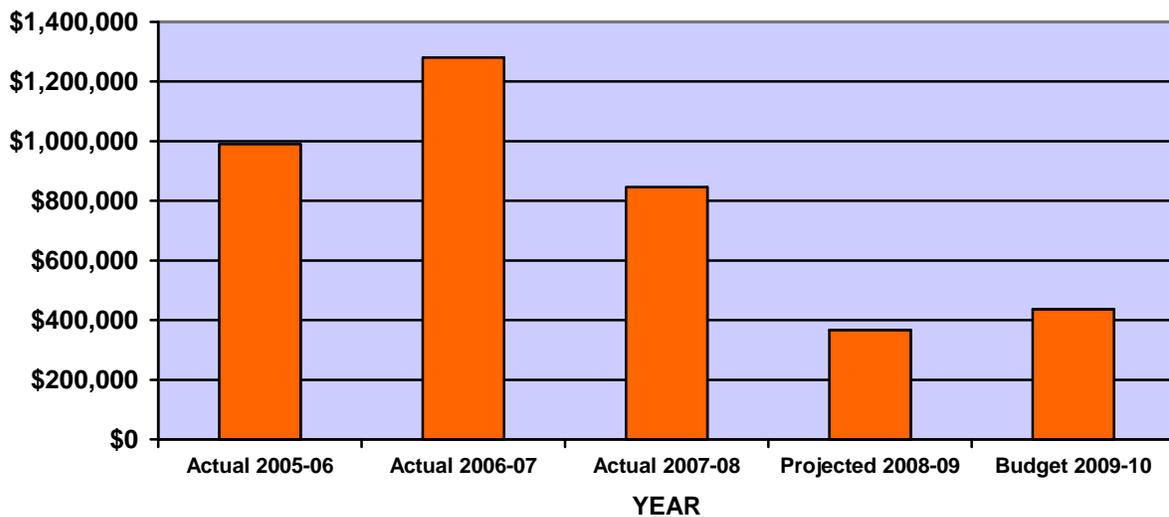
Assumption: Based on available cash and projected interest rates.

Trend Data:

Investment Income

Actual 2005-06	Actual 2006-07	Actual 2007-08	Projected 2008-09	Budget 2009-10
\$ 989,914	\$ 1,280,564	\$ 846,107	\$ 367,194	\$ 436,010

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 \$2,255,000.

To cover administrative costs, transfers from Lake Parks (\$35,000), is budgeted for fiscal year 2009-2010. To recuperate loans to the Storm Water Utility Fund, \$80,000 is budgeted to be transferred to the General Fund. \$60,996 is budgeted to be transferred from the Hotel/Motel Tax Fund to the General Fund to cover overtime expenses for the July 4th festivities, and the Veterans Day celebration, and other staff who are contributing time and efforts to draw tourism to the City.

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 \$290,000 for repaying constructing the Hawaiian Falls parking lot (\$138,148) operations of Five Star Sports Complex (\$125,000) and others (\$26,852). The \$138,148 transfer is for repaying \$375,000 that 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 \$17,000 is to pay for the Edward Don property tax abatement. The exact amount has yet to be determined when more data becomes available.

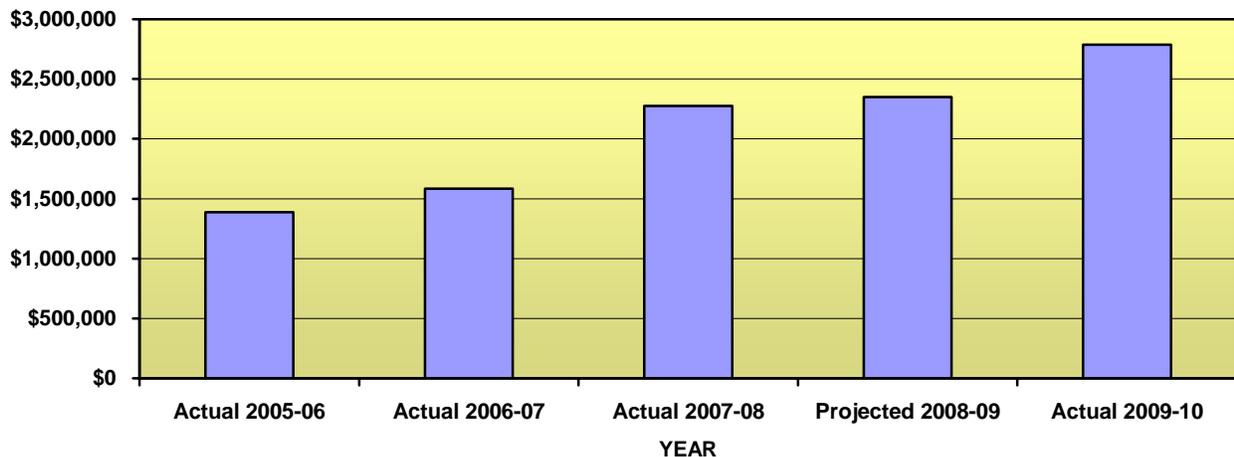
Assumption: Based on calculation of payments in lieu of taxes, franchise fees, indirect costs, administrative overhead, and repayment of loans.

Trend Data:

Transfers to General Fund

Actual 2005-06	Actual 2006-07	Actual 2007-08	Projected 2008-09	Budget 2009-10
\$ 1,387,494	\$ 1,583,200	\$ 2,275,648	\$ 2,348,419	\$ 2,787,996

TRANSFERS IN - GENERAL FUND





CITY OF THE COLONY

Breakdown of Transfer from Utility Fund to General Fund 2009-2010

A. Payment in lieu of Taxes:				
2008 Financial Statement				
Fixed Assets	\$97,521,927	\$.688/100val.		\$ 670,951
B. Franchise Taxes:				
2008 Financial Statement				
Water/Sewer Revenues	13,008,503		4%	520,340
C. Administrative Fee:				
2008 Financial Statement:				
General Governmental	3,135,654		50%	1,567,827
Utility Administration	1,966,750		25.632%	(504,118)
				<u>\$2,255,000</u>

Breakdown of Transfer from Utility Fund to General Fund 2008-2009 (Revised)

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		37.991%	(627,248)
				<u>\$1,919,000</u>

**CITY OF THE COLONY
AUTHORIZED PERSONNEL
FISCAL YEAR 2009 - 2010**

2007-2008 2008-2009 2009-2010

GENERAL FUND	2007-2008		2008-2009		2009-2010	
	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME
Development Services	15	0	15	0	14	0
General Administration	3	0	3	0	3	1
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	1	4	1	4	1
Municipal Court	5	0	5	0	5	0
Parks & Recreation	19	6	20	7	20	7
Aquatic Park	2	9	2	9	2	9
Fire Department	50	0	50	0	51	0
Police Department	74	15	78	15	78	15
Library	11	6	11	6	11	7
Engineering	5	1	5	1	5	1
Public Works	20	0	20	0	20	0
FUND TOTAL	219	38	224	39	224	41

UTILITY FUND	2007-2008		2008-2009		2009-2010	
	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME
Water Production	8	0	8	0	8	0
Water Distribution	18	0	18	0	17	0
Wastewater	6	0	6	0	5	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
FUND TOTAL	46	0	46	0	44	0

SPECIAL FUNDS	2007-2008		2008-2009		2009-2010	
	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
SPECIAL FUNDS TOTAL	19	1	19	1	19	1
TOTAL EMPLOYEES	284	39	289	40	287	42

*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
2009-2010**

Fund Name	Operating Revenues	Operating Expenditures	Excess/ (Deficiency)	Other Revenues or Expenditures	Beginning Balance	Other Adjustments/ Reserved	Ending Balance
General Fund	19,966,878	22,188,375	(2,221,497)	2,194,702	5,996,758	(392,000)	5,577,963
Utility Fund	13,352,000	7,859,559	5,492,441	(5,580,000)	3,905,484	-	3,817,925
General Debt	4,268,497	5,293,084	(1,024,587)	1,325,485	1,343,491	(549,991)	1,094,398
Utility Tax Debt	5,700	2,300,289	(2,294,589)	2,507,870	455,336	-	668,617
Revenue Bond Debt	406,000	2,050,495	(1,644,495)	1,647,000	2,014,548	(1,850,378)	166,675
Lake Parks	173,445	201,319	(27,874)	(35,000)	83,316	-	20,442
Hidden Cove Park	56,000	1,000	55,000	(50,000)	114,188	-	119,188
Environmental	61,200	158,098	(96,898)	69,000	38,233	-	10,335
Fleet Services Fund	818,520	815,960	2,560	-	174,072	-	176,632
Economic Development - 4A	1,558,000	3,241,416	(1,683,416)	(619,733)	2,574,104	(211,854)	59,101
Community Development - 4B	1,525,000	274,041	1,250,959	(1,201,639)	1,196,927	-	1,246,247
Hotel/Motel Tax Fund	363,000	91,839	271,161	(260,450)	90,406	-	101,117
Storm Water Utility	489,000	397,006	91,994	(105,000)	23,727	-	10,721
Capital Projects Administration	10,000	463,547	(453,547)	400,000	567,275	-	513,728
Engineering Inspections	145,000	251,029	(106,029)	(17,131)	134,942	-	11,782
Special Events Fund	30,350	263,998	(233,648)	253,748	84,016	-	104,116
Court Security	27,300	130,000	(102,700)	-	265,855	-	163,155
Court Technology	32,500	19,000	13,500	-	23,025	-	36,525
Community Center	49,086	168,775	(119,689)	95,000	27,798	-	3,109
GRAND TOTALS	43,337,476	46,168,830	(2,831,354)	623,852	19,113,501	(3,004,223)	13,901,776

COMBINED FUNDS
Summary of Revenues and Expenditures/Expenses
For Revised 08 - 09 & 09 - 10 Budget Years

	05-06 Actual	06-07 Actual	07-08 Actual	08-09 Budget	08-09 Revised	09-10 Budget
REVENUES:						
General Fund	17,114,163	17,835,553	19,338,579	20,248,721	19,841,663	19,966,878
Utility Fund	11,465,933	10,886,945	12,562,651	12,956,260	13,041,900	13,352,000
General Debt Service	3,492,579	3,551,115	4,350,357	4,335,039	4,379,250	4,268,497
Utility Tax Debt	971,931	810,708	41,461	10,000	28,200	5,700
Revenue Debt	921,238	500,307	434,717	480,000	405,302	406,000
Lake Parks	145,279	144,734	230,558	147,920	152,220	173,445
Hidden Cove Park (1)	56,246	75,684	304,006	56,000	306,200	56,000
Environmental Fund	28,155	108,668	55,488	61,200	61,200	61,200
Fleet Services Fund	502,854	681,823	753,880	818,720	819,420	818,520
Economic Development - 4A	4,475,240	1,682,835	1,659,883	1,598,000	1,578,000	1,558,000
Community Development - 4B	1,385,191	1,444,566	1,537,021	1,533,000	1,523,000	1,525,000
Hotel/Motel Tax Fund	156,612	161,420	137,828	145,500	182,400	363,000
Storm Water Utility Fund	460,254	474,160	436,241	528,000	475,200	489,000
Capital Projects Administration Fund	18,557	25,336	19,264	10,000	8,000	10,000
Engineering Inspections	262,518	300,340	223,580	185,500	178,400	145,000
Special Events Fund	92,033	21,812	39,857	28,750	34,124	30,350
Court Security	35,018	39,302	35,421	35,100	27,263	27,300
Court Technology	41,858	43,562	40,983	41,200	32,521	32,500
Community Center	2,278	40,765	60,758	35,480	40,740	49,086
TOTAL REVENUES	41,627,937	38,829,635	42,262,533	43,254,390	43,115,003	43,337,476
TRANSFERS IN:						
General Fund	1,387,478	1,583,200	2,275,648	2,306,457	2,348,419	2,787,996
Utility Fund	15,091	-	-	-	-	-
General Debt Service	853,416	889,867	924,973	903,980	1,067,980	1,325,485
Utility Tax Debt	2,434,761	2,246,185	1,601,050	1,600,000	1,764,420	2,507,870
Revenue Debt	622,000	722,000	1,972,000	1,972,000	1,972,000	1,647,000
Hidden Cove Park (1)	-	-	-	-	-	-
Environmental Fund	59,000	64,000	64,000	64,000	64,000	69,000
Fleet Services	-	-	-	-	-	-
Economic Development - 4A	-	-	-	-	-	-
Community Development - 4B	40,000	375,000	-	-	-	-
Hotel/Motel Tax Fund	-	-	51,636	-	-	-
Storm Water Utility Fund	115,183	-	250,000	-	185,000	-
Capital Projects Administration Fund	400,000	400,000	400,000	400,000	400,000	400,000
Engineering Inspections	-	-	-	-	-	-
Special Events Fund	135,000	135,626	113,000	219,500	267,803	253,748
Community Center	40,000	101,000	109,000	108,000	108,000	95,000
TOTAL TRANSFERS IN	6,101,929	6,516,878	7,761,307	7,573,937	8,177,622	9,086,099
TOTAL REVENUES & TRANSFERS IN	47,729,866	45,346,513	50,023,840	50,828,327	51,292,625	52,423,575
EXPENDITURES/EXPENSES:						
General Fund	17,027,004	18,150,695	20,255,785	21,913,178	21,594,900	22,188,375
Utility Fund	6,254,294	6,398,013	7,472,274	8,524,519	8,153,562	7,859,559
General Debt Service	4,168,999	4,459,072	5,117,404	5,240,003	5,227,663	5,293,084
Utility Tax Debt	3,274,147	3,049,908	1,612,778	1,616,461	1,614,961	2,300,289
Revenue Debt	1,367,110	1,365,802	2,444,875	2,353,193	2,350,193	2,050,495
Lake Parks	113,802	89,033	147,501	189,760	189,853	201,319
Hidden Cove Park (1)	-	20,000	2,007	-	2,420	1,000
Environmental Fund	78,701	159,456	123,785	154,061	154,308	158,098
Fleet Services Fund	514,198	569,943	715,938	814,607	799,164	815,960
Economic Development - 4A	1,563,266	2,784,308	579,133	3,104,817	3,217,534	3,241,416
Community Development - 4B	163,122	178,599	167,193	487,417	224,008	274,041
Hotel/Motel Tax Fund	13,954	13,031	58,085	36,655	206,168	91,839
Storm Water Utility Fund	605,557	323,788	411,473	682,890	771,590	397,006
Capital Projects Administration Fund	344,115	358,905	381,084	461,255	449,525	463,547
Engineering Inspections	141,837	261,250	248,432	270,357	221,452	251,029
Special Events Fund	192,631	84,173	190,018	257,451	306,023	263,998
Court Security	8	14,834	4,030	131,200	1,200	130,000
Court Technology	32,766	11,531	22,442	128,400	122,364	19,000
Community Center	28,212	126,111	156,983	157,199	163,437	168,775
TOTAL EXPENDITURES/EXPENSES	35,883,723	38,418,452	40,111,220	46,523,423	45,770,325	46,168,830

COMBINED FUNDS
Summary of Revenues and Expenditures/Expenses
For Revised 08 - 09 & 09 - 10 Budget Years

	05-06 Actual	06-07 Actual	07-08 Actual	08-09 Budget	08-09 Revised	09-10 Budget
TRANSFERS OUT:						
General Fund	359,730	804,068	836,384	642,000	991,000	593,294
Utility Fund	3,779,761	4,028,280	4,633,350	4,805,000	4,969,000	5,580,000
Lake Parks	30,000	35,000	35,000	35,000	35,000	35,000
Hidden Cove Park (1)	50,000	50,000	50,000	50,000	50,000	50,000
Economic Development - 4A	128,666	179,398	206,496	329,307	2,096,573	619,733
Community Development - 4B	887,880	1,068,595	1,687,527	1,020,727	1,472,727	1,201,639
Hotel/Motel Taxes	134,200	133,700	146,396	249,200	297,503	260,450
Storm Water Utility Fund	54,000	203,627	114,000	103,609	103,609	105,000
Engineering Inspections	-	-	17,020	17,094	17,094	17,131
Special Events Fund	15,000	-	-	-	-	-
TOTAL TRANSFERS OUT	5,439,237	6,502,668	7,726,173	7,251,937	10,032,506	8,462,247
TOTAL EXPENDITURES & TRANSFERS OUT	41,322,960	44,921,120	47,837,393	53,775,360	55,802,831	54,631,077
EXCESS (DEFICIENCY)	6,406,906	425,393	2,186,447	(2,947,033)	(4,510,206)	(2,207,502)
BEGINNING FUND BALANCE:						
General Fund	4,291,621	5,406,528	5,870,518	6,392,576	6,392,576	5,996,758
Utility Fund	1,621,498	3,068,467	3,529,119	3,986,146	3,986,146	3,905,484
General Debt Service	840,387	1,017,383	965,998	1,123,924	1,123,924	1,343,491
Utility Tax Debt	108,414	240,959	247,944	277,677	277,677	455,336
Revenue Debt	1,992,964	2,169,092	2,025,597	1,987,439	1,987,439	2,014,548
Lake Parks	85,714	87,191	107,892	155,949	155,949	83,316
Hidden Cove Park (1)	(403,521)	(397,275)	(391,591)	(139,592)	(139,592)	114,188
Environmental Fund	49,972	58,426	71,638	67,341	67,341	38,233
Fleet Services Fund	15,338	3,994	115,874	153,816	153,816	174,072
Economic Development - 4A	3,933,520	6,716,828	5,435,957	6,310,211	6,310,211	2,574,104
Community Development - 4B	739,100	1,113,289	1,688,361	1,370,662	1,370,662	1,196,927
Hotel/Motel Tax Fund	403,547	412,005	426,694	411,677	411,677	90,406
Storm Water Utility Fund	215,333	131,213	77,958	238,726	238,726	23,727
Capital Projects Administration Fund	429,747	504,189	570,620	608,800	608,800	567,275
Engineering Inspections	77,189	197,870	236,960	195,088	195,088	134,942
Special Events Fund	32,606	52,008	125,273	88,112	88,112	84,016
Court Security	148,923	183,933	208,401	239,792	239,792	265,855
Court Technology	53,204	62,296	94,327	112,868	112,868	23,025
Community Center	-	14,066	29,720	42,495	42,495	27,798
TOTAL BEGINNING BALANCE	14,635,556	21,042,462	21,437,260	23,623,707	23,623,707	19,113,501
ENDING FUND BALANCE: (before adjustments and reserves)						
General Fund	5,406,528	5,870,518	6,392,576	5,893,647	5,996,758	5,969,963
Utility Fund	3,068,467	3,529,119	3,986,146	3,612,887	3,905,484	3,817,925
General Debt Service	1,017,383	965,998	1,123,924	1,122,940	1,343,491	1,644,389
Utility Tax Debt	240,959	247,944	277,677	271,216	455,336	668,617
Revenue Debt	2,169,092	2,025,597	1,987,439	2,086,246	2,014,548	2,017,053
Lake Parks	87,191	107,892	155,949	79,109	83,316	20,442
Hidden Cove Park (1)	(397,275)	(391,591)	(139,592)	(133,592)	114,188	119,188
Environmental Fund	58,426	71,638	67,341	38,480	38,233	10,335
Fleet Services Fund	3,994	115,874	153,816	157,929	174,072	176,632
Economic Development - 4A	6,716,828	5,435,957	6,310,211	4,474,087	2,574,104	270,955
Community Development - 4B	1,113,289	1,688,361	1,370,662	1,395,518	1,196,927	1,246,247
Hotel/Motel Tax Fund	412,005	426,694	411,677	271,322	90,406	101,117
Storm Water Utility Fund	131,213	77,958	238,726	(19,773)	23,727	10,721
Capital Projects Administration Fund	504,189	570,620	608,800	557,545	567,275	513,728
Engineering Inspections	197,870	236,960	195,088	93,137	134,942	11,782
Special Events Fund	52,008	125,273	88,112	78,911	84,016	104,116
Court Security	183,933	208,401	239,792	143,692	265,855	163,155
Court Technology	62,296	94,327	112,868	25,668	23,025	36,525
Community Center	14,066	29,720	42,495	28,776	27,798	3,109
TOTAL ENDING BALANCE	21,042,462	21,437,260	23,623,707	20,177,745	19,113,501	16,905,999

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

COMBINED FUNDS
Revenue & Expenditure Projections by Category
For the 2009-2010 Budget Year
With Comparative totals for the Year Ended September 30, 2009 and 2008

	Special Revenue Funds									
	General Fund	Lake Parks Fund	Hidden Cove Park	Environmental Fund	Economic Development Corporation	Community Development Corporation	Hotel/Motel Tax Fund	Capital Projects Administration	Engineering Inspections Fund	Community Center
Revenues										
Ad Valorem Taxes	\$10,683,720	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Sales Taxes	3,100,000	-	-		1,498,000	1,498,000	-	-	-	-
Franchise Taxes	2,123,700	-	-		-	-	-	-	-	-
Hotel/Motel Taxes	-	-	-		-	-	358,500	-	-	-
Licenses & Permits	869,355	-	-		-	-	-	-	-	-
Charges for Services	946,946	121,225	6,000	60,000	-	-	-	-	140,000	48,876
Fines & Forfeitures	1,336,800	-	-	-	-	-	-	-	-	-
Investment Income	200,000	2,500	-	1,200	60,000	27,000	4,500	10,000	3,000	210
Grant Revenues	41,807	-	-	-	-	-	-	-	-	-
Court Security Revenue	-	-	-	-	-	-	-	-	-	-
Court Technology Revenue	-	-	-	-	-	-	-	-	-	-
Other Revenues	664,550	49,720	50,000	-	-	-	-	-	2,000	-
Proceeds from Debt Issuance	-	-	-	-	-	-	-	-	-	-
Total Revenues	19,966,878	173,445	56,000	61,200	1,558,000	1,525,000	363,000	10,000	145,000	49,086
Expenditures										
Personnel Services	16,918,229	216	-	88,403	266,956	215,703	40,964	448,547	173,239	95,333
Contractual Services	2,724,663	82,608	1,000	39,850	66,010	28,888	44,225	7,500	65,240	63,517
Supplies	735,239	5,445	-	27,525	7,950	4,200	6,650	6,500	10,900	6,125
Maintenance	1,294,220	31,050	-	2,320	500	15,250	-	1,000	1,650	3,800
Contingencies	-	-	-	-	20,000	10,000	-	-	-	-
Others	\$451,525	-	-	-	130,000	-	-	-	-	-
Capital Outlay	\$64,499	82,000	-	-	-	-	-	-	-	-
Economic Incentives	-	-	-	-	2,750,000	-	-	-	-	-
Debt Service Payments	-	-	-	-	-	-	-	-	-	-
Reserved for Encumbrances	-	-	-	-	-	-	-	-	-	-
Total Expenditures	22,188,375	201,319	1,000	158,098	3,241,416	274,041	91,839	463,547	251,029	168,775
Other Sources and Uses of Funds										
Transfers In	2,787,996	-	-	69,000	-	-	-	400,000	-	95,000
Transfers Out	(593,294)	(35,000)	(50,000)	-	(619,733)	(1,201,639)	(260,450)	-	(17,131)	-
Total Other Sources and Uses	2,194,702	(35,000)	(50,000)	69,000	(619,733)	(1,201,639)	(260,450)	400,000	(17,131)	95,000
Excess (Deficiency)	(26,795)	(62,874)	5,000	(27,898)	(2,303,149)	49,320	10,711	(53,547)	(123,160)	(24,689)
Beginning Fund Balance	5,996,758	83,316	114,188	38,233	2,574,104	1,196,927	90,406	567,275	134,942	27,798
Ending Fund Balance	5,969,963	20,442	119,188	10,335	270,955	1,246,247	101,117	513,728	11,782	3,109
Surplus Used	-	-	-	-	-	-	-	-	-	-
Reserved	(392,000)	-	-	-	(211,854)	-	-	-	-	-
Designated for Hidden Cove Park	-	-	-	-	-	-	-	-	-	-
Unreserved and undesignated Ending Fund Balance	\$5,577,963	\$20,442	\$119,188	\$10,335	\$59,101	\$1,246,247	\$101,117	\$513,728	\$11,782	\$3,109

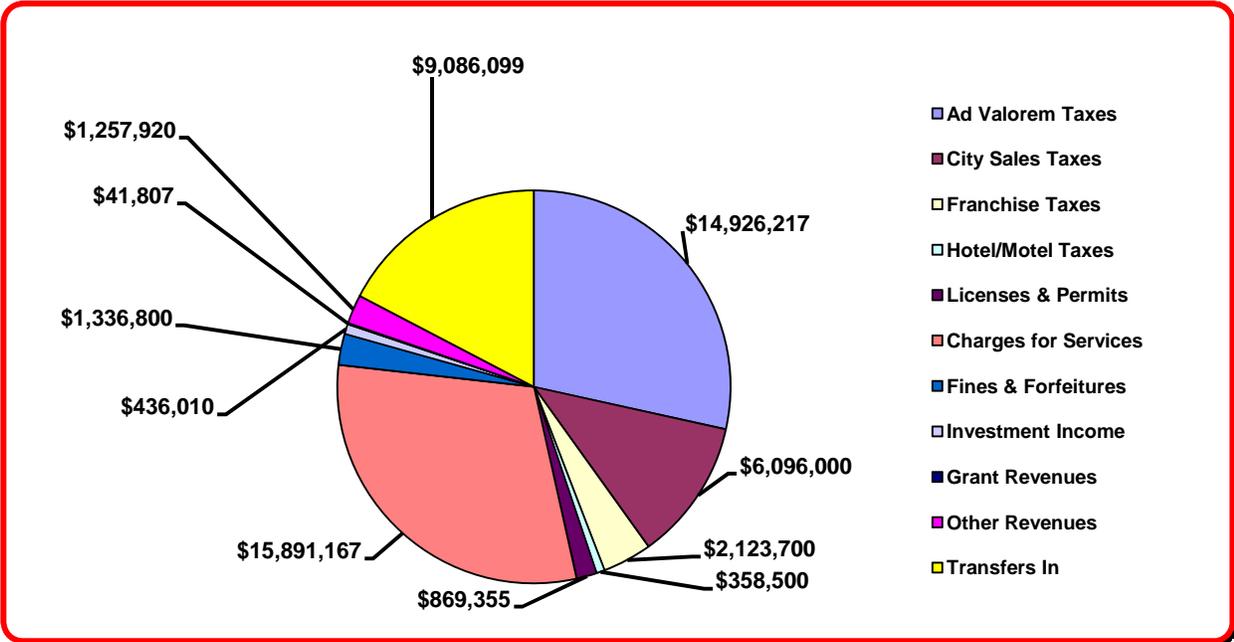
					Debt Service Funds			Proprietary	Combined Totals			
					Utility Tax			Fund				
Court Security	Court Technology	Special Events Fund	Storm Water Utility Fund	Fleet Service Fund	General Debt Service Fund	Supported Debt Service Fund	Revenue Debt Service Fund	Utility Fund	Original Budget 2010	Revised Budget 2009	Actual	2008
\$ -	\$ -	\$ -	\$ -	\$ -	\$4,242,497	\$ -	\$ -	\$ -	\$14,926,217	\$15,046,325	\$14,390,728	
-	-	-	-	-	-	-	-	-	6,096,000	6,088,000	6,007,660	
-	-	-	-	-	-	-	-	-	2,123,700	2,091,800	1,782,820	
-	-	-	-	-	-	-	-	-	358,500	178,400	125,574	
-	-	-	-	-	-	-	-	-	869,355	1,176,175	1,634,796	
-	-	-	485,000	796,120	-	-	-	13,287,000	15,891,167	15,547,720	14,890,442	
-	-	-	-	-	-	-	-	-	1,336,800	1,036,300	1,171,036	
3,300	1,500	1,000	4,000	1,100	26,000	5,700	20,000	65,000	436,010	367,194	846,107	
-	-	-	-	-	-	-	-	-	41,807	36,943	45,973	
24,000	-	-	-	-	-	-	-	-	24,000	24,000	28,176	
-	31,000	-	-	-	-	-	-	-	31,000	31,000	37,572	
-	-	29,350	-	21,300	-	-	386,000	-	1,202,920	1,491,146	1,301,649	
-	-	-	-	-	-	-	-	-	-	-	-	
27,300	32,500	30,350	489,000	818,520	4,268,497	5,700	406,000	13,352,000	43,337,476	43,115,003	42,262,533	
-	-	72,348	229,706	447,330	-	-	-	2,984,417	21,981,391	21,254,253	19,398,452	
-	1,200	191,650	95,600	11,860	-	-	-	1,917,064	5,340,875	5,824,161	5,193,121	
-	5,500	-	4,700	138,370	-	-	-	2,090,450	3,049,554	3,033,501	2,851,271	
-	12,300	-	67,000	218,400	-	-	-	867,628	2,515,118	2,365,612	1,994,908	
-	-	-	-	-	-	-	-	-	30,000	20,000	408,790	
-	-	-	-	-	3,000	1,500	1,000	-	587,025	567,407	265,277	
130,000	-	-	-	-	-	-	-	-	276,499	772,512	477,060	
-	-	-	-	-	-	-	-	-	2,750,000	2,745,562	208,839	
-	-	-	-	-	5,290,084	2,298,789	2,049,495	-	9,638,368	9,187,317	9,168,919	
-	-	-	-	-	-	-	-	-	-	-	144,583	
130,000	19,000	263,998	397,006	815,960	5,293,084	2,300,289	2,050,495	7,859,559	46,168,830	45,770,325	40,111,220	
-	-	253,748	-	-	1,325,485	2,507,870	1,647,000	-	9,086,099	8,177,622	7,761,307	
-	-	-	(105,000)	-	-	-	-	(5,580,000)	(8,462,247)	(10,032,506)	(7,726,173)	
-	-	253,748	(105,000)	-	1,325,485	2,507,870	1,647,000	(5,580,000)	623,852	(1,854,884)	35,134	
(102,700)	13,500	20,100	(13,006)	2,560	300,898	213,281	2,505	(87,559)	(2,207,502)	(4,510,206)	2,186,447	
265,855	23,025	84,016	23,727	174,072	1,343,491	455,336	2,014,548	3,905,484	19,113,501	23,623,707	21,437,260	
163,155	36,525	104,116	10,721	176,632	1,644,389	668,617	2,017,053	3,817,925	16,905,999	19,113,501	23,623,707	
-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	(549,991)	-	(1,850,378)	-	(3,004,223)	(2,998,633)	-	
-	-	-	-	-	-	-	-	-	-	-	(140,000)	
\$163,155	\$36,525	\$104,116	\$10,721	\$176,632	\$1,094,398	\$668,617	\$166,675	\$3,817,925	\$13,901,776	\$16,114,868	\$23,483,707	

MAJOR OPERATING FUNDS
Expenditure Chart by Department
For the Fiscal Year 2009-2010

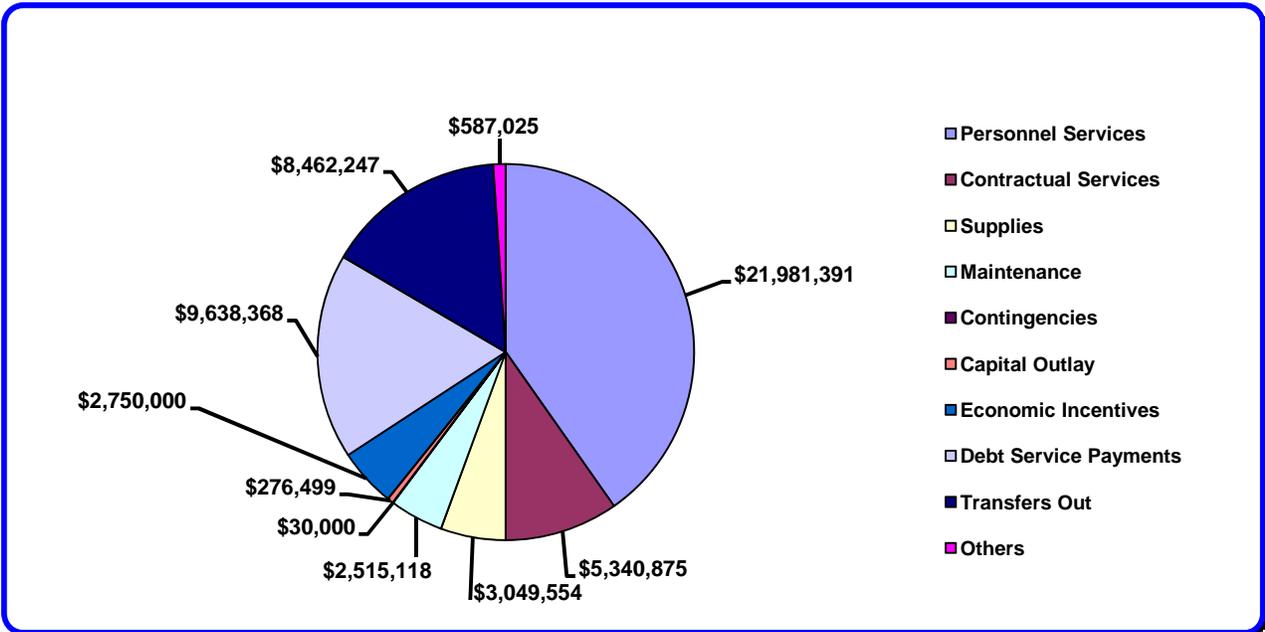
	General Fund	Utility Fund
Nondepartmental	\$ 2,838,039	\$ 6,742,502
General Administration	440,653	-
City Council	20,880	-
Development Services	1,087,120	-
City Secretary	244,337	-
Human Resources	323,441	-
Finance	537,275	-
Information Technology	720,063	-
Municipal Court	360,989	-
Parks & Recreation	2,009,171	-
Aquatic Parks	364,645	-
Fire	4,749,401	-
Police	6,542,828	-
Library	949,745	-
Engineering	149,121	-
Public Works Administration	1,443,961	358,655
Water Production	-	2,553,973
Water Distribution	-	1,452,898
Wastewater	-	813,106
Utility Administration	-	949,294
Payroll Administration	-	106,121
Facilities Maintenance	-	463,010
Total Expenditures	22,781,669	13,439,559

**COMBINED FUNDS
2009-2010 BUDGET**

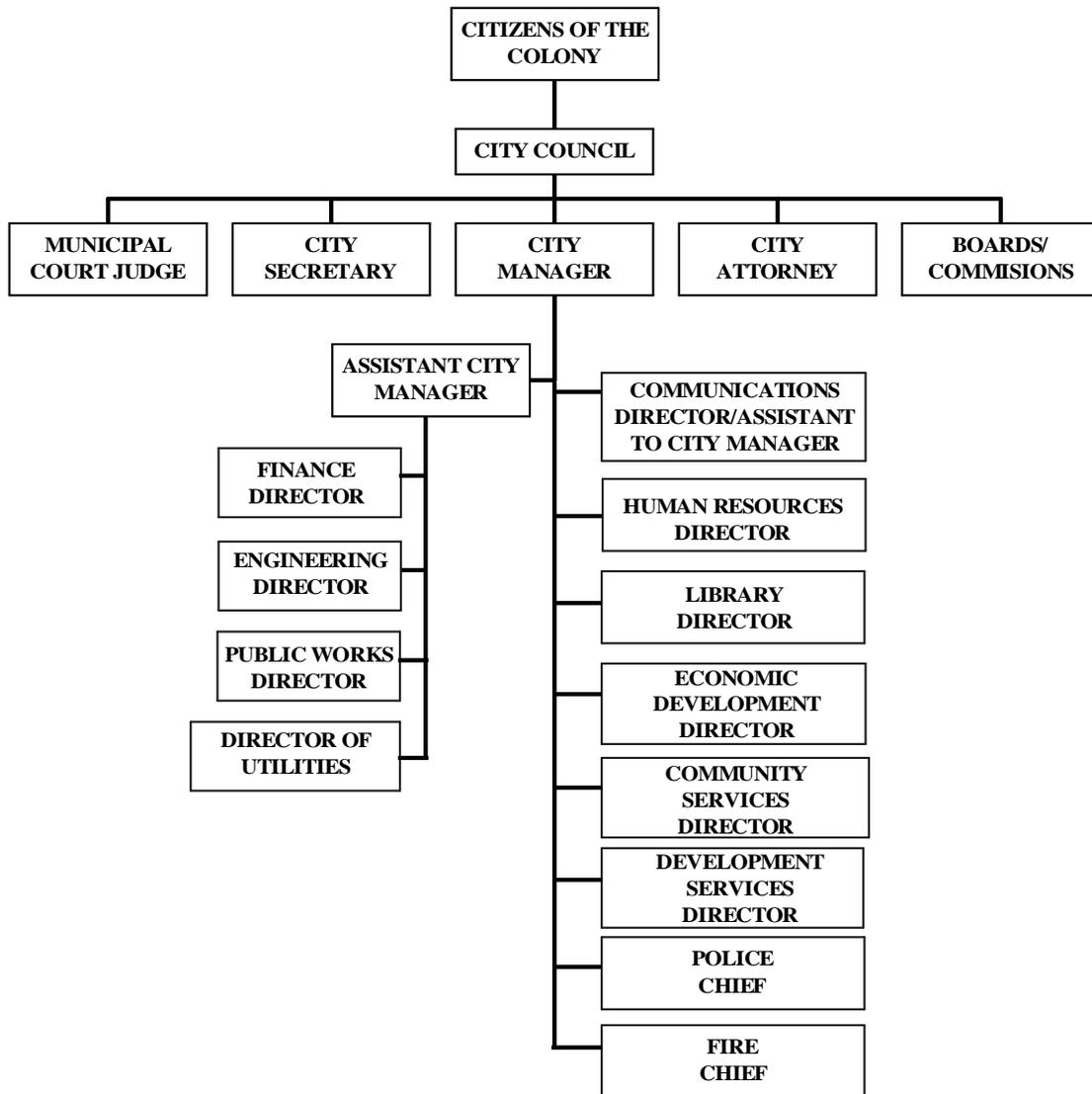
REVENUES & TRANSFERS IN



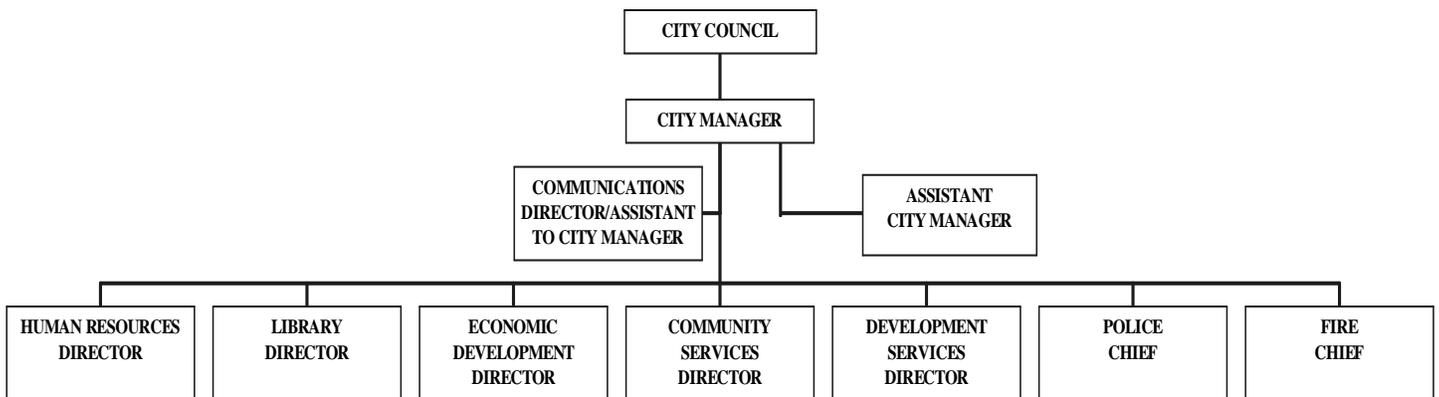
EXPENDITURES & TRANSFERS OUT



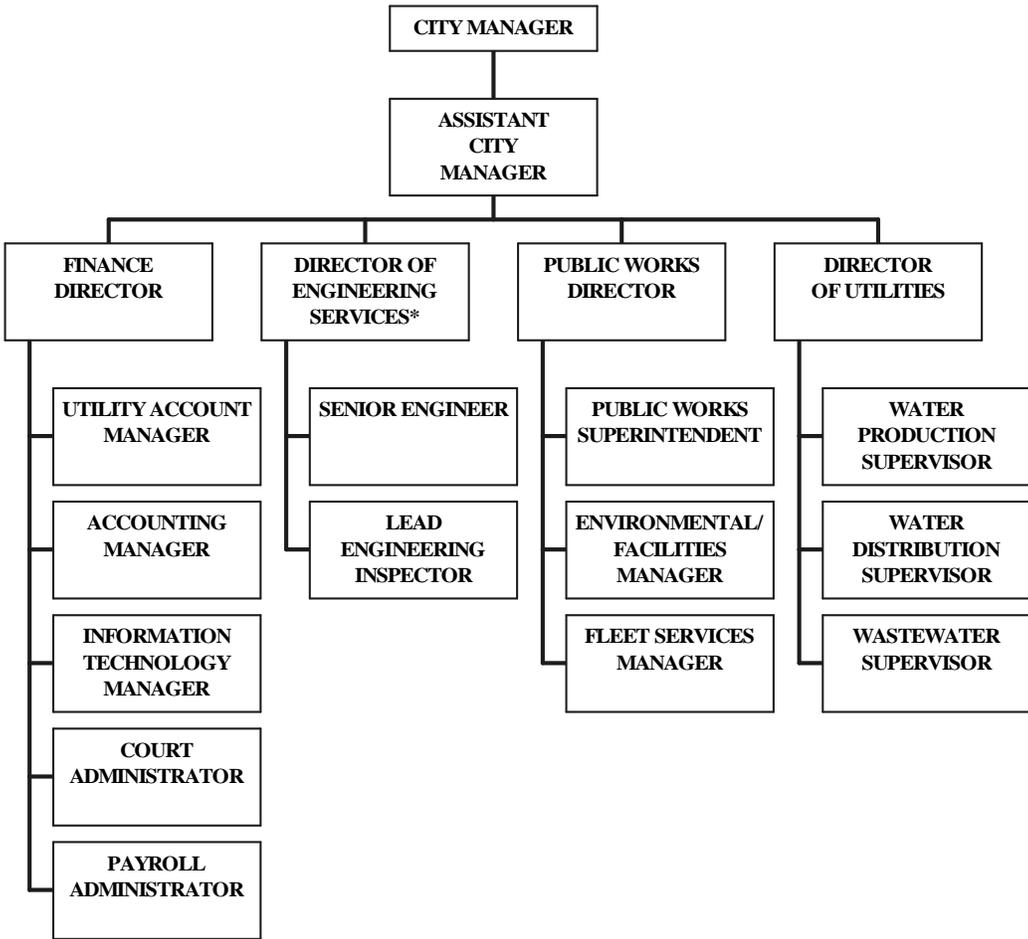
CITY OF THE COLONY ORGANIZATIONAL CHART 2009-2010 BUDGET



CITY MANAGER ORGANIZATIONAL CHART 2009-2010 BUDGET



ASSISTANT CITY MANAGER ORGANIZATIONAL CHART 2009-2010 BUDGET



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