

**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, 2006**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES</b>				
Ad valorem taxes, penalties and interest	\$ 8,649,433	\$ 8,621,433	\$ 8,589,075	\$ (32,358)
Franchise taxes	1,725,000	1,828,000	2,285,150	457,150
Municipal sales tax	2,510,000	2,610,000	2,731,402	121,402
Licenses and permits	407,384	451,156	520,880	69,724
Charge for services	840,178	863,911	1,030,023	166,112
Fines and forfeitures	908,175	976,629	1,136,985	160,356
Grants	27,114	228,079	209,436	(18,643)
Interest earned	80,000	300,000	326,482	26,482
Miscellaneous	492,400	452,296	273,087	(179,209)
<b>Total revenues</b>	<b>15,639,684</b>	<b>16,331,504</b>	<b>17,102,520</b>	<b>771,016</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<b>General government:</b>				
Developmental services	317,717	337,800	319,625	18,175
General administration	310,765	328,670	321,652	7,018
City secretary	243,574	242,356	229,923	12,433
City council	23,525	22,331	15,578	6,753
Human resources	217,334	237,799	207,075	30,724
Finance	505,188	488,976	483,342	5,634
Information technology	334,170	421,391	397,223	24,168
Nondepartmental	2,209,900	2,002,301	1,990,717	11,584
<b>Public safety:</b>				
Municipal court	261,509	271,655	259,672	11,983
Fire	3,011,180	3,426,679	3,415,890	10,789
Police	4,634,398	4,669,042	4,641,415	27,627
<b>Public works:</b>				
Inspections	552,022	539,413	510,266	29,147
Engineering	189,506	211,671	187,450	24,221
Public works	1,392,920	1,274,993	1,251,321	23,672
<b>Culture and recreation:</b>				
Parks and recreation	1,794,439	1,888,712	1,772,528	116,184
Aquatic park	328,175	328,781	320,741	8,040
Library	703,270	720,483	711,289	9,194
<b>Total expenditures</b>	<b>17,029,592</b>	<b>17,413,053</b>	<b>17,035,707</b>	<b>377,346</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,389,908)</b>	<b>(1,081,549)</b>	<b>66,813</b>	<b>1,148,362</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sales of capital assets			11,646	11,646
Transfers from other funds	1,423,200	1,387,494	1,396,178	8,684
Transfers to other funds	(175,870)	(359,730)	(359,730)	
<b>Total other financing sources (uses)</b>	<b>1,247,330</b>	<b>1,027,764</b>	<b>1,048,094</b>	<b>20,330</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(142,578)</b>	<b>(53,785)</b>	<b>1,114,907</b>	<b>1,168,692</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>4,381,172</b>	<b>4,381,172</b>	<b>4,381,172</b>	
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 4,238,594</b>	<b>\$ 4,327,387</b>	<b>\$ 5,496,079</b>	<b>\$ 1,168,692</b>

**CITY OF THE COLONY, TEXAS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED SEPTEMBER 30, 2006**

**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, 2006**

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

	Budgetary Basis Expenditures 9/30/2006	Encumbrances Outstanding 9/30/2005	Encumbrances Outstanding 9/30/2006	GAAP Basis Expenditures 9/30/2006
General Fund:				
General government:				
Developmental services	\$ 319,625	\$	\$	\$ 319,625
General administration	321,652			321,652
City secretary	229,923			229,923
City council	15,578			15,578
Human resources	207,075			207,075
Finance	483,342	12,041	(7,361)	488,022
Information Technology	397,223	17,000	(23,044)	391,179
Nondepartmental	1,990,717	13,716	(77,600)	1,926,833
Public safety:				
Municipal court	259,672			259,672
Fire	3,415,890	20,726	(47,909)	3,388,707
Police	4,641,415		(1,292)	4,640,123
Public works:				
Inspections	510,266			510,266
Engineering	187,450	13,768	(5,808)	195,410
Public works	1,251,321	1,660	(172)	1,252,809
Culture and recreation:				
Parks and recreation	1,772,528	9,106	(52,055)	1,729,579
Aquatic park	320,741	570		321,311
Library	711,289	963		712,252
	<u>\$ 17,035,707</u>	<u>\$ 89,550</u>	<u>\$ (215,241)</u>	<u>\$ 16,910,016</u>