



*Symbols*



*Of*



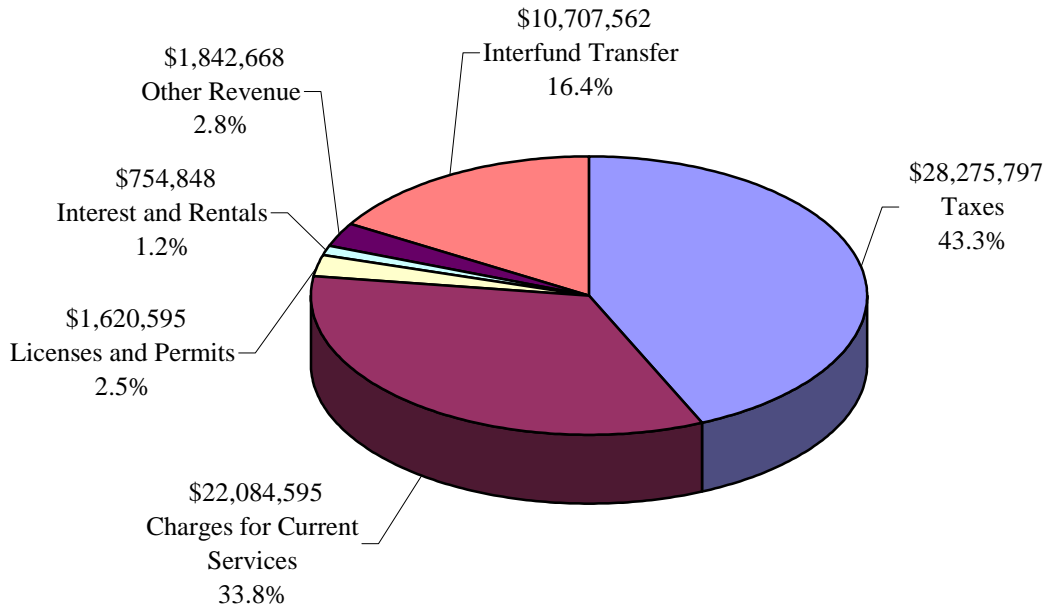
*Freedom*



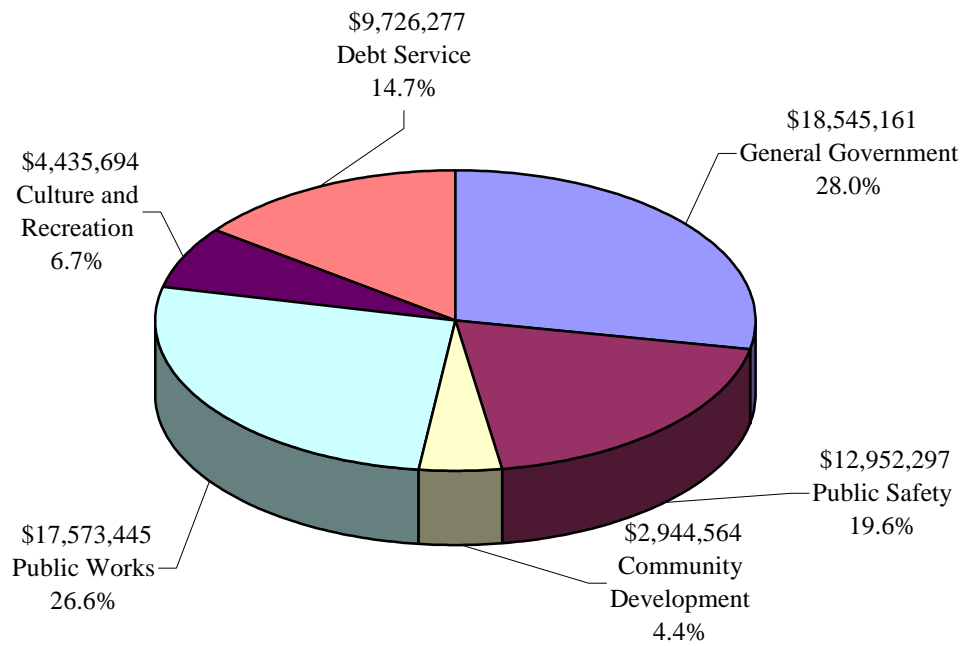
## Consolidated Budget Summary by Fund Fiscal Year 2002-2003

	General Fund	Enterprise Funds	Internal Services Funds	Special Revenue Funds	General Debt Service	Utility Debt Service	Grand Total
<b>Revenues:</b>							
Property Taxes	\$ 14,799,528	\$ -	\$ -	\$ -	\$ 5,523,767	\$ 86,278	\$ 20,409,573
Utility Franchise Taxes	3,355,496	-	-	-	-	-	3,355,496
Sales Tax Collections	3,793,728	-	-	-	-	-	3,793,728
Other Taxes	717,000	-	-	-	-	-	717,000
Charges for Current Services	274,450	20,077,880	-	207,615	-	-	20,559,945
Licenses and Permits	1,570,595	-	-	50,000	-	-	1,620,595
Fines and Forfeitures	1,374,650	-	-	150,000	-	-	1,524,650
Interest and Rentals	253,176	175,321	-	107,000	60,467	158,884	754,848
Intergovernmental Revenue	312,245	-	-	26,000	-	-	338,245
Contributions/Memorials	-	-	-	25,500	-	-	25,500
Other Revenue	1,455,673	-	-	1,000	-	-	1,456,673
Miscellaneous Revenue	-	22,250	-	-	-	-	22,250
Interfund Transfer	-	288,404	6,518,708	-	-	3,900,450	10,707,562
<b>Total Revenues</b>	<b>\$ 27,906,541</b>	<b>\$ 20,563,855</b>	<b>\$ 6,518,708</b>	<b>\$ 567,115</b>	<b>\$ 5,584,234</b>	<b>\$ 4,145,612</b>	<b>\$ 65,286,065</b>
Beginning Fund Balances	3,950,507	8,919,905	313,323	3,525,764	699,226	3,452,290	20,861,015
<b>Total Available Resources</b>	<b>\$ 31,857,048</b>	<b>\$ 29,483,760</b>	<b>\$ 6,832,031</b>	<b>\$ 4,092,879</b>	<b>\$ 6,283,460</b>	<b>\$ 7,597,902</b>	<b>\$ 86,147,080</b>
<b>Expenditures:</b>							
General Government	\$ 5,652,716	\$ 5,848,937	\$ 6,518,708	\$ 524,800	\$ -	\$ -	\$ 18,545,161
Public Safety	12,859,297	-	-	93,000	-	-	12,952,297
Community Development	2,944,564	-	-	-	-	-	2,944,564
Public Works	2,202,042	15,371,403	-	-	-	-	17,573,445
Culture and Recreation	3,977,594	-	-	458,100	-	-	4,435,694
Debt Service:							
Principal	-	-	-	-	2,878,678	1,902,600	4,781,278
Interest	-	-	-	-	2,912,897	1,997,850	4,910,747
Administrative Fees	-	-	-	-	22,894	11,358	34,252
<b>Total Expenditures</b>	<b>\$ 27,636,213</b>	<b>\$ 21,220,340</b>	<b>\$ 6,518,708</b>	<b>\$ 1,075,900</b>	<b>\$ 5,814,469</b>	<b>\$ 3,911,808</b>	<b>\$ 66,177,438</b>
Ending Fund Balances	4,220,835	8,263,420	313,323	3,016,979	468,991	3,686,094	19,969,641
<b>Total Fund Commitments/ Fund Balance</b>	<b>\$ 31,857,048</b>	<b>\$ 29,483,760</b>	<b>\$ 6,832,031</b>	<b>\$ 4,092,879</b>	<b>\$ 6,283,460</b>	<b>\$ 7,597,902</b>	<b>\$ 86,147,079</b>

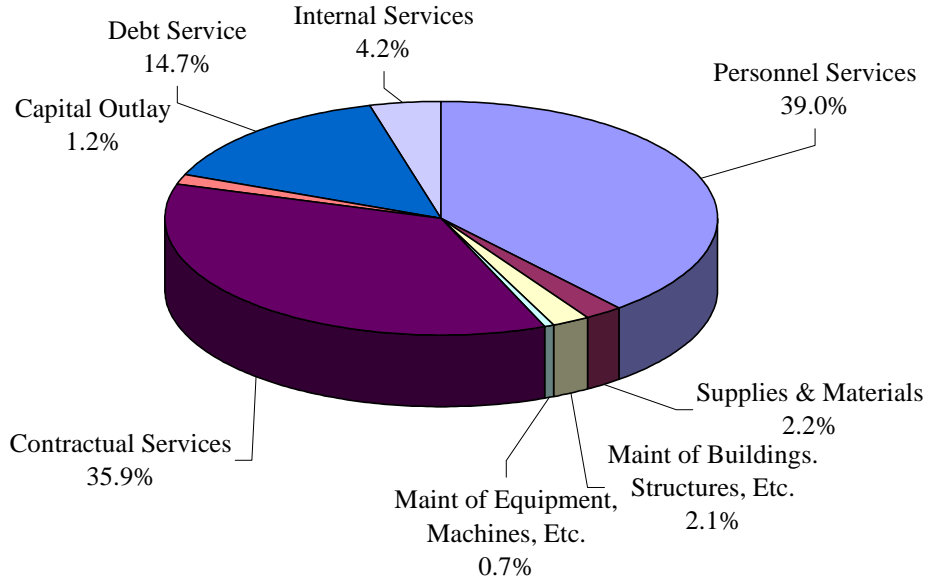
## Consolidated Summary of Revenues by Source



## Consolidated Summary of Expenditures by Function



## Consolidated Budget Summary Expenditures by Object Code Category



	<u>Personnel Services</u>	<u>Supplies &amp; Materials</u>	<u>Maint of Buildings, Structures, Etc.</u>	<u>Maint of Equipment, Machines, Etc.</u>	<u>Contractual Services</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Internal Services</u>	<u>Totals</u>
Administrative Services	\$ 827,871	\$ 106,790	\$ -	\$ 310	\$ 180,320	\$ -	\$ -	\$ 107,424	\$ 1,222,716
Legislative Services	202,356	16,215	-	300	165,985	-	-	41,863	426,719
Town Manager's Office	371,448	12,633	-	400	128,431	-	-	43,861	556,774
Community Services	2,463,035	110,731	22,500	33,850	669,296	80,000	-	598,182	3,977,594
Police Services	6,312,426	231,273	-	128,560	262,277	-	-	493,031	7,427,567
Financial Services	1,801,015	123,240	181,068	13,688	636,136	-	-	321,793	3,076,940
Fire & Emergency Services	4,505,510	188,734	-	85,880	146,633	29,000	-	475,973	5,431,730
Development & Environmental S	2,315,764	86,554	936	5,414	307,463	-	-	228,433	2,944,564
Non-Departmental	896,081	-	-	-	5,322,424	-	-	-	6,218,504
Infrastructure Services	4,557,251	378,665	977,238	141,497	10,920,858	88,990	-	508,947	17,573,445
Internal Services Funds	1,404,781	117,687	177,118	41,700	4,777,422	-	-	-	6,518,708
Library Development Fund	-	-	-	-	-	26,000	-	-	26,000
Loan Star Libraries Grant	-	8,000	-	-	-	-	-	-	8,000
Park Development Fund	-	-	-	-	85,000	35,000	-	-	120,000
Tree Preservation Fund	10,757	2,031	-	-	4,350	-	-	-	17,138
Special Events	-	24,100	-	-	53,525	-	-	-	77,625
Summer Day Camp	51,050	10,300	-	250	28,930	-	-	-	90,530
Sports Leagues	-	21,650	-	-	64,657	-	-	-	86,307
Concessions	-	1,000	-	-	2,500	-	-	-	3,500
Tennis	-	2,000	5,000	-	7,000	-	-	-	14,000
Police Seizures Fund	-	-	-	-	10,000	-	-	-	10,000
S.T.E.P. Grant	1,500	1,500	-	-	-	-	-	-	3,000
Urban Forestry Grant	15,000	-	-	-	-	-	-	-	15,000
Municipal Court Security Fund	63,185	-	-	-	6,815	-	-	-	70,000
Municipal Court Tech Fund	-	-	-	-	-	10,000	-	-	10,000
Vehicle & Equipment Rpl Fund	-	-	-	-	-	524,800	-	-	524,800
Debt Service	-	-	-	-	-	-	9,726,277	-	9,726,277
<b>TOTAL ALL FUNDS</b>	<b>\$ 25,799,030</b>	<b>\$ 1,443,103</b>	<b>\$ 1,363,860</b>	<b>\$ 451,849</b>	<b>\$ 23,780,022</b>	<b>\$ 793,790</b>	<b>\$ 9,726,277</b>	<b>\$ 2,819,507</b>	<b>\$ 66,177,438</b>

## Statistical Analysis of the FY 2002-2003 Annual Budget By Fund Type

This executive summary recaps the most significant factors included in the annual budget: revenue assumptions; major initiatives; a reserve analysis; and a fund-by-fund and category synopsis of expenditures. Please note that any references to comparative increases or decreases are based on projections for FY 2001-2002.

### GENERAL FUND

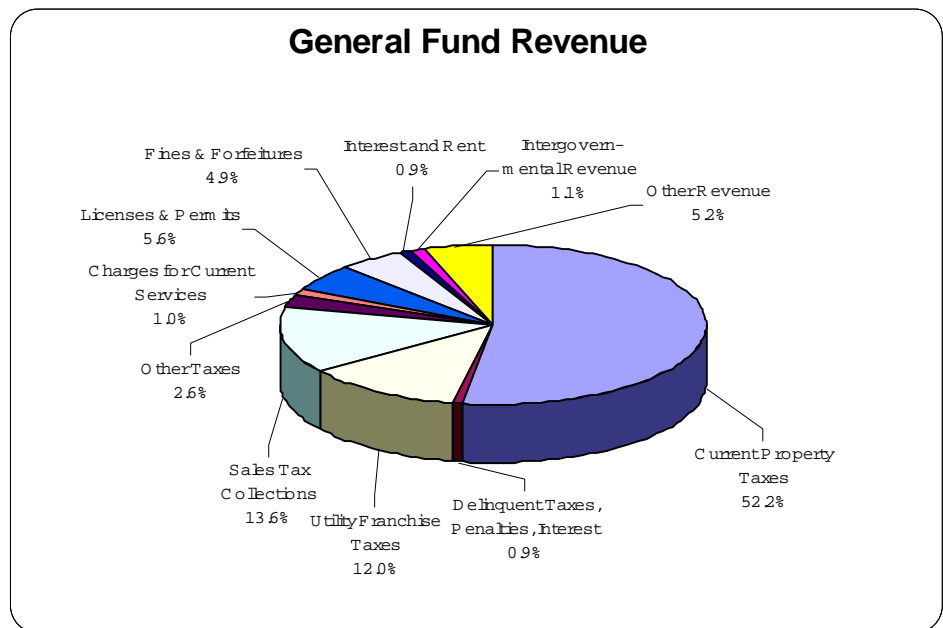
The General Fund is the general operating fund of the Town and is used to account for all transactions and operations of governmental units which are not accounted for in another fund and/or which are financed from taxes or other general revenues.

#### Revenue Assumptions:

The budget document assumes a cautious approach in dealing with revenues, especially growth-oriented revenues. Proposed revenues for FY 2002-2003 assume an overall growth of 7.20 percent over FY 2001-2002 projections. The revenue projections are net of changes in certain revenue categories. Funding of the Town's General Fund operations is derived from eleven (11) major revenue categories. Each of these categories is detailed below with a brief description of how internal and external factors affect revenue amounts and how amounts differ from the prior year.

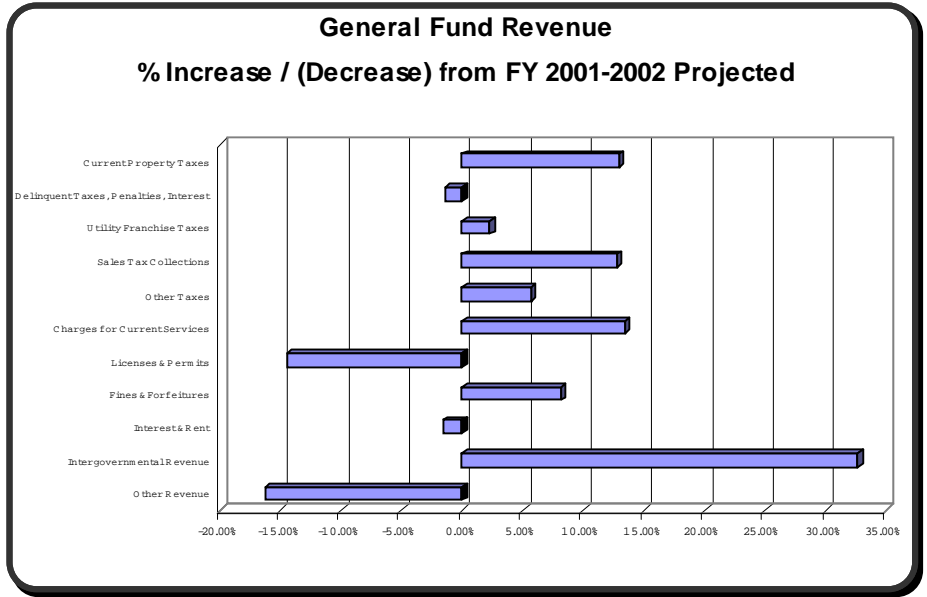
#### **Current Property Taxes: \$14,553,948 (up \$1,671,845 or 12.98 percent)**

The largest revenue source of the General Fund is the ad valorem tax (property tax). Property taxes are levied each October 1 on the assessed value listed as of the prior January 1, for all real and personal property located within the Town. Assessed values represent the appraised value less applicable exemptions authorized by the Town Council. Appraised values are established by the Denton Central Appraisal District at 100 percent of estimated market values. Current Property Taxes account for 52.2 percent of all General Fund revenues.

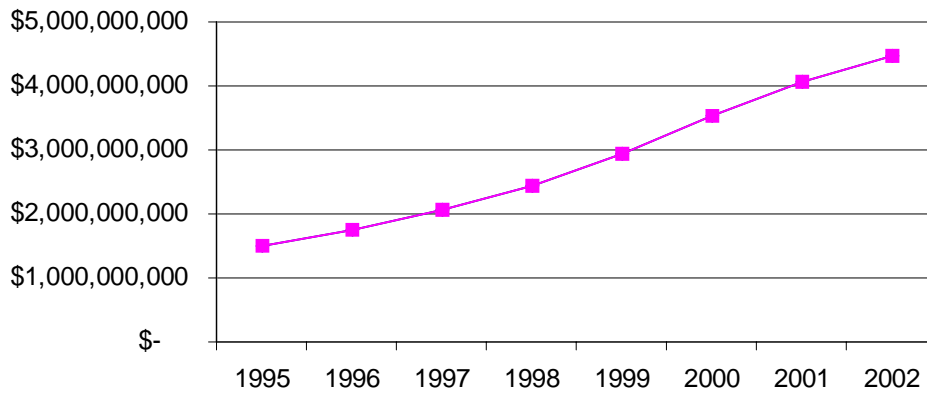


Taxes are levied October 1, immediately following the January 1 lien date, and are delinquent after the following January 31.

Certified property valuations provided by the Denton Central Appraisal District totaled \$4,462,284,794 for 2002, an increase of \$386,162,510 over the 2001 certified tax roll. The certified tax roll is reflective of all taxable property in the Town as of January 1, 2002.



### Taxable Assessed Value



**Delinquent Property Taxes, Penalties and Interest: \$245,580 (down \$3,420 or -1.37 percent)**

Delinquent taxes may be subject to a 12 percent penalty and 12 percent interest rate per annum according to Texas State law. Taxes are due on receipt and delinquent on February 1 of the year following the year in which imposed. Delinquent taxes incur a penalty and accrue interest for each month the taxes remain unpaid. Delinquent Taxes, Penalties, and Interest account for 0.9 percent of all General Fund revenues.

Over the last eight years, the attorney representing the Town of Flower Mound in the legal enforcement of delinquent property tax collections has consistently maintained the highest levels of collection in this County and the North Texas region. The Town’s current delinquent tax collection rate is predicted to decrease slightly due to the compliance of residents who now pay property taxes in the time allowed.

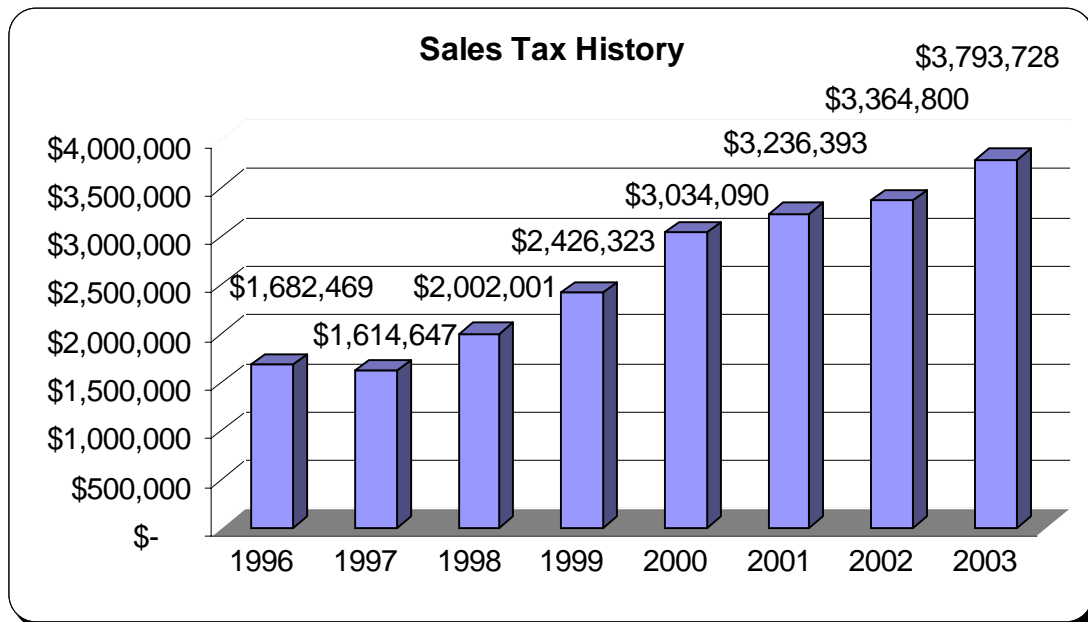
Within the past five years, the ratio of accumulated delinquent taxes to current levy has decreased significantly.

**Utility Franchise Taxes: \$3,355,496 (up \$76,125 or 2.32 percent)**

Franchise taxes represent those revenues collected from utilities operating within the Town (i.e., Trinity Waste Services, Southwestern Bell Telephone, TXU Gas, Oncor Electric, CoServe {electric, gas, cable and phone}, Verizon, AT&T Broadband Cable, and the Town's Utility Fund) that use the Town right-of-ways to conduct their business. Anticipated increases in Flower Mound's utility franchise fees are based largely on projected population growth and commercial development. Over the past several years, franchise taxes have experienced steady growth in some areas, while in others deregulation has diminished local revenues. The FY 2002-2003 projections for each franchise fee are based on varying methodologies, according to the type of utility. Utility Franchise Taxes account for 12.0 percent of all General Fund revenues.

**Sales Tax Collections: \$3,793,728 (up \$428,928 or 12.75 percent)**

The sales tax increase is consistent with the Town's past experience of steady and strong growth every year. As economic development initiatives produce a greater diversification in the Town's tax base (new commercial retail sales), it is anticipated that sales and use taxes will continue to increase. Sales tax receipts are the result of a tax levy on the sale of goods and services within the Town as authorized by the State of Texas. The maximum sales tax allowed in the Town of Flower Mound is seven and one-quarter cents per dollar (\$0.0725) on all goods and services deemed taxable. Sales and use taxes constitute the second largest revenue source for the General Fund. This revenue source accounts for 13.6 percent of all General Fund revenues.



**Other Taxes: \$717,000 (up \$38,188 or 5.63 percent)**

Two different revenue sources make up the Other Taxes category: Payment-in-lieu of taxes (PILOT) and Liquor Taxes.

The PILOT is composed of payments made by the Utility Fund to General Fund in lieu of paying ad valorem property taxes. FY 1998-99 was the first time the Town budgeted for this revenue. The PILOT calculation for the Utility Fund is based on the ad valorem property tax rate for the upcoming fiscal year multiplied times \$100 per assessed value of the Utility Fund's real property at 100 percent assessment ratio. The FY 2002-2003 PILOT projection reflects a 4.86 percent increase from the previous year.

Alcoholic beverage taxes are the result of mixed beverage sales and private club registrations. The state statutes levy a tax of 14 percent on the gross receipts from the sale of mixed beverages in Texas. Each city and county is entitled to receive an allocation of 10.7143 percent. The FY 2002-2003 projections are based on three-year trend analysis of collections. Other Taxes accounts for 2.6 percent of all General Fund revenues.

**Charges for Current Services: \$274,450 (up \$32,517 or 13.44 percent)**

This revenue category accounts for funds earned by the Town in exchange for specific types of services provided. Examples of services include zoning and platting fees, and inspection fees. FY 2002-2003 revenues are anticipated to rise, due to the proposed increase of zoning and platting-related fees. Charges for Current Services account for 1.0 percent of General Fund revenues.

**Licenses and Permits: \$1,570,595 (down \$265,337 or -14.45 percent)**

This revenue category includes license and permit revenue fees charged by the Town for certain types of operator licenses and permits for construction and other items regulated by Town ordinances. Building activity is expected to decrease throughout FY 2002-2003. Licenses and Permits account for 5.6 percent of all General Fund revenues.

**Fines and Forfeitures: \$1,374,650 (up \$103,915 or 8.18 percent)**

Fines and forfeitures represent revenue generated from the municipal court and other punitive actions such as animal control fees and library fines. Fines and forfeitures are anticipated to be above prior years because the Town has increased operating efficiency and initiated an aggressive traffic enforcement program. This revenue source accounts for 4.9 percent of General Fund revenues.

**Interest and Rent: \$253,176 (down \$4,072 or -1.58 percent)**

The Town has embarked on a more aggressive plan to invest funds with no increased risk to the Town; however, due to decreasing interest rates, interest income is projected to decrease slightly. Interest and Rent revenues for next year are conservatively budgeted and account for 0.9 percent of General Fund revenues.

**Intergovernmental Revenue: \$312,245 (up \$76,897 or 32.67 percent)**

Intergovernmental revenues are the result of contracts with Denton County for the provision of library, fire, and ambulance services to the unincorporated areas of the county, with Lewisville ISD for one-half of the cost for three School Resource Officers, and with the U.S. Army Corp of Engineers for the provision of security for Corp property adjacent to Lake Grapevine. The projected increase for FY 2002-2003 is primarily due to payments from the Corp being deposited in this category, rather than in Other Revenue, as was the case in prior years. Intergovernmental Revenue accounts for 1.1 percent of General Fund revenues.

**Other Revenue: \$1,455,673 (down \$282,303 or -16.24 percent)**

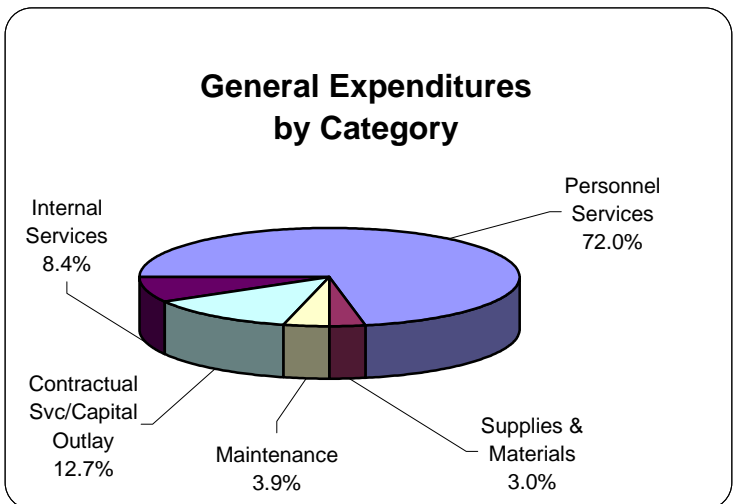
The remaining revenue sources in the General Fund include Trinity Waste Services' contribution to the Town's Customer Relations program, contractual-based income, and interfund transfers. In FY 2001-2002, an administrative transfer was budgeted to offset the cost of service the General Fund provided the Utility Fund. This practice will continue in FY 2002-2003. The projected decrease for FY 2002-2003 is primarily due to payments from the Corp being deposited in Intergovernmental Revenue, rather than in this category, as was the case in prior years. Other Revenue accounts for 5.2 percent of General Fund revenues.

**Expenditure Synopsis:**

**Personnel Services: \$19,889,501 (up \$2,554,553 or 14.74 percent)**

As the single largest expenditure category, personnel expenses account for 72.0 percent of General Fund expenditures. Increases in FY 2002-2003 are due to salaries, wages, merit increases, and fringe benefit costs. In FY 2002-2003, an additional two full time equivalent (FTE) positions are included for funding.

**Supplies and Materials: \$838,653 (up \$8,037 or 0.97 percent)**



These object classifications are for expendable materials and operating supplies necessary to conduct departmental activities. Expenditures within this classification account for 3.0 percent of all General Fund expenditures.

**Maintenance of Buildings, Structures, Land, and Improvements; Equipment and Machinery:**  
**\$1,084,152 (up \$59,580 or 5.82 percent)**

These object classifications are for expendable upkeep of physical properties in condition for use or occupancy and tangible property of a more or less permanent nature which is used in carrying out operations. Expenditures within these classifications account for 3.9 percent of all General Fund expenditures.

**Contractual Services and Capital Outlay:** **\$3,504,559 (down \$387,634 or -9.96 percent)**

These object classifications are for obligations resulting in services rendered to Town activities by either private firms or other Town departments, along with large expenditures which result in either the acquisition of fixed assets or property with a life expectancy of longer than three years. Expenditures within these classifications account for 12.7 percent of all General Fund expenditures.

**Internal Services:** **\$2,319,347 (down \$92,178 or -3.82 percent)**

These object classifications are for costs associated with services provided by the Internal Services Department (i.e. Information Technology, Facilities Management, and Purchasing and General Services Divisions) to all other divisions within the Town. Expenditures within these classifications account for 8.40 percent of all General Fund expenditures. In FY 2001-2002, Fleet Services and Materials Management was approved and added to the Purchasing and General Services Fund to provide service and maintenance for the Town's fleet, including vehicle and/or equipment acquisition and disposal.

**Community Support:** **\$129,602 (no change)**

The Community Support Division accounts for all activities, programs, and services provided by various community organizations to the citizens of Flower Mound. The Town Council approved a total of \$129,602 for these programs in FY 2001-2002, and that same amount is included in the FY 2002-2003 Annual Budget. One additional agency sought funding this year.

The following is a list of agencies funded in previous years:

- Animal Rescue League
- Camp Summit, Inc.
- CASA of Denton County
- Chisholm Trail Retired and Senior Volunteer Program
- Denton County Children's Advocacy Center
- Denton County Friends of the Family, Inc.
- Dial-A-Ride – "City of Lewisville"
- Expressions Theater

- Flower Mound Chamber of Commerce/  
Wildflower Festival
- Flower Mound Community Orchestra
- Flower Mound Humane Society
- Humane Society of Lewisville
- Lewisville Lake Symphony Orchestra
- The Mound Foundation
- Pedi Place
- Youth and Family Counseling

## ENTERPRISE FUNDS

Enterprise Funds are those that fully support their own administration, acquisition of facilities, operation, and maintenance through the collection of user charges such as the sale of water and sewer fees. The Town of Flower Mound operates two enterprise funds: the Utility Fund and the Stormwater Utility Fund.

### Revenue Assumptions:

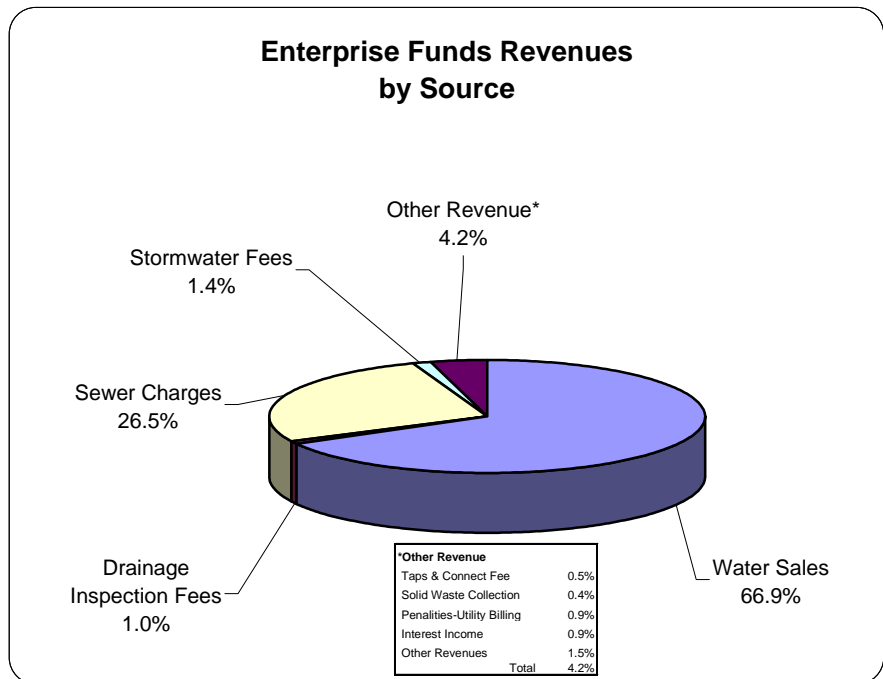
Enterprise Fund revenues are anticipated to increase as a result of the continuing growth of the Town. Proposed revenues for FY 2002-2003 assume an overall growth of 11.49 percent over FY 2001-2002. The Enterprise Funds derive their revenue from nine major sources: Water Sales; Sewer Charges; Taps and Connect Fees; Solid Waste Collections Administrative Fees; Penalties-Utility Billing; Stormwater Fees, Drainage Inspection Fees, Interest Income; and Other Revenue (which includes sales of equipment and materials). The following is a brief description of how internal and external factors affect these revenue sources and how the estimated amounts differ from the previous year.

### Water Sales: \$13,751,830 (up \$1,192,571 or 9.50 percent)

Residential growth is expected to average approximately 67 new households per month in FY 2002-2003. This represents a lower growth rate than in FY 2001-2002. Actual revenue in this category can vary substantially based on weather conditions. However, this revenue source has exhibited strong growth over the past several years. Water Sales account for 66.9 percent of all Enterprise Fund revenues.

### Sewer Charges: \$5,448,504 (up \$338,072 or 6.62 percent)

Projections in this revenue category reflect the lower residential growth rates anticipated in FY 2002-2003. Sewer revenues are, however, derived from



both residential and commercial usage. Sewer Charges account for 26.5 percent of all Enterprise Fund revenues.

**Taps and Connect Fees: \$109,585 (down \$12,176 or -10.00 percent)**

Lower revenues in FY 2001-2002 were attributable to fewer new accounts. This revenue source is anticipated to follow a similar trend as that of the previous year. Taps and Connect Fees account for 0.5 percent of all Enterprise Fund revenues.

**Solid Waste Collection: \$76,000 (up \$3,689 or 5.10 percent)**

This revenue source is projected to increase over FY 2001-2002 revenues, and is the 4 percent administrative fee charged by the Town for billing and collecting from solid waste customers on behalf of Trinity Waste Services. Solid Waste Collections account for 0.4 percent of all Enterprise Fund revenues.

**Penalties-Utility Billing: \$185,000 (down \$5,922 or -3.10 percent)**

The implementation of a sixth utility billing cycle in FY 1999-2000 has further reduced the number of late payments, since residents now have five to ten additional days to pay their water bills. Historically, the Town has had a very low rate of bad debt. Penalties-Utility Billing revenues account for 0.9 percent of all Enterprise Fund revenues.

**Stormwater Fees: \$295,355 (new for FY 02-03)**

With the implementation of a stormwater program during FY 2002-2003, as required by the Environmental Protection Agency, the Stormwater Fees will be created for the first time. This revenue will account for 1.4 percent of all Enterprise Fund revenues.

**Drainage Inspection Fees: \$211,606 (new for FY 02-03)**

The Drainage Inspection Fees, a part of the stormwater program, will be created for the first time during FY 2002-2003. This revenue will account for 1.0 percent of all Enterprise Fund revenues.

**Interest and Rent Income: \$175,321 (down \$123,674 or -41.36 percent)**

The Town has embarked on a more aggressive plan to invest funds with no increased risk to the Town; however, due to decreasing interest rates, interest income is projected to decrease. Interest

and Rent revenues for next year are conservatively budgeted and account for 0.9 percent of Enterprise Fund revenues.

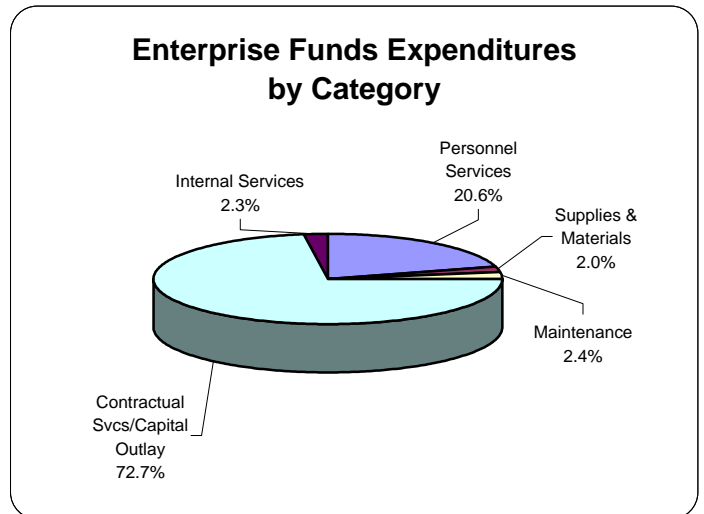
**Other Revenue: \$310,654 (up \$219,971 or 242.57 percent)**

This revenue category includes sales of equipment and other miscellaneous revenues, including copies of maps, videos, newcomers lists, plats, street signs, and interfund transfers from CIP funds for services performed by the Town's Right-of-Way Agent. It is always difficult to accurately predict the number of requests that will be received for these items; however, the projected increase for FY 2002-2003 is due to the addition of an Assistant Director of Public Works/Transportation Engineer position, which will also be reimbursed by various CIP funds, as well as, interfund transfers for the stormwater utility program. Other Revenue accounts for 1.5 percent of all Enterprise Fund revenues.

**Expenditure Synopsis:**

**Personnel Services: \$4,363,561 (up \$798,862 or 22.41 percent)**

Personnel Services is the second largest expenditure category in the Enterprise Funds, and it accounts for 20.6 percent of the total Enterprise Funds' budgets. Increases in FY 2002-2003 are due to salaries, wages, merit increases, and fringe benefit costs. In FY 2002-2003, two new full-time-equivalent (FTE) positions are included for funding, as well as the personnel costs for the Stormwater Utility program, which had been accounted for in the General Fund.



**Supplies and Materials: \$415,882 (up \$55,983 or 14.6 percent)**

These object classifications are for expendable materials and operating supplies necessary to conduct departmental activities. The purchase of supplies and materials constitutes 2.0 percent of all Enterprise Funds' expenditures.

**Maintenance of Buildings, Structures, Land, and Improvements; Equipment and Machinery: \$507,489 (down \$13,648 or -2.62 percent)**

These object classifications are for expendable upkeep of physical properties in condition for use or occupancy and tangible property of a more or less permanent nature, which is useful in carrying out

operations. Expenditures within these classifications account for 2.4 percent of all Enterprise Funds expenditures.

**Contractual Service and Capital Outlay: \$15,433,252 (up \$1,224,869 or 8.62 percent)**

The largest expenditure category in the Enterprise Funds is Contractual Services, which accounts for 72.57 percent of the total Enterprise Funds' budgets. Conversely, Capital Outlay makes up 0.13 percent and is the smallest category. The single largest budgeted expenditure is for water, which the Town purchases from Dallas Water Utilities and the Upper Trinity Regional Water District. The amount of water the Town will purchase in FY 2002-2003 is directly related to demand, contractual agreements with the above entities, and projected population growth.

**Internal Services: \$500,156 (up \$93,251 or 22.92 percent)**

These object classifications are for costs associated with services provided by the Internal Services Department (i.e. Information Technology, Facilities Management, and Purchasing and General Services Divisions) to all other divisions within the Town. Expenditures within these classifications account for 2.3 percent of all Enterprise Fund expenditures. In FY 2001-2002, Fleet Services and Materials Management was approved and added to the Purchasing and General Services Fund to provide service and maintenance for the Town's fleet, including vehicle and/or equipment acquisition and disposal.

## **INTERNAL SERVICE FUNDS**

Internal Service Funds are utilized to support the Information Technology, Facilities Management, and Purchasing and General Services Divisions, as well as the Health Insurance/Flex Fund. All divisions in the Town are charged for services they receive from these divisions, and these funds are fully supported by internal charges, with the exception of the Health Insurance/Flex Fund, which is supported by internal charges and employee contributions. Fleet Services and Materials Management was added in FY 200101-02 and provides service and maintenance for the Town's fleet, including vehicle and/or equipment acquisition and disposal.

### **Expenditure Synopsis:**

**Personnel Services: \$1,404,781 (up \$117,717 or 9.15 percent)**

As the second largest expenditure category, personnel expenses account for 21.5 percent of Internal Service Funds expenditures. Increases in FY 2002-2003 are due to salaries, wages, merit increases,

and fringe benefit costs. In FY 2002-2003, an additional one and a half full time equivalent (FTE) positions are included for funding.

**Supplies and Materials: \$117,687 (up \$6,770 or 6.10 percent)**

These object classifications are for expendable materials and operating supplies necessary to conduct departmental activities. Expenditures within this classification account for 1.8 percent of all Internal Service Funds expenditures.

**Maintenance of Buildings, Structures, Land, and Improvements; Equipment and Machinery: \$218,818 (up \$71,957 or 49.00 percent)**

These object classifications are for expendable upkeep of physical properties in condition for use or occupancy and tangible property of a more or less permanent nature which is used in carrying out operations. Expenditures within these classifications account for 3.4 percent of all Internal Service Funds expenditures.

**Contractual Services and Capital Outlay: \$4,777,422 (up \$623,584 or 15.01 percent)**

These object classifications are for obligations resulting in services rendered to Town activities by either private firms or other Town departments, along with large expenditures which result in either the acquisition of fixed assets or property with a life expectancy of longer than three years. The overwhelming majority of expenses in these categories are for the Health Insurance and Flex Benefit expenditures. Expenditures within these classifications account for 73.3 percent of all Internal Service Funds expenditures.

## **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of special revenue sources other than expendable trusts or major capital projects. The Special Revenue Funds include, but are not limited to, the Town's Library Development Fund, Loan Star Libraries Grants Fund, Park Development Fund, Parks and Recreation Special Activities Fund (the single largest user of the Special Revenue Funds), the Municipal Court Security Fund, Municipal Court Technology Fund, Police Block Grant Fund, and S.T.E.P. Grant Fund. Revenues from the Municipal Court Security Fund are security fees and court costs collected from defendants convicted for a misdemeanor offense. This fund is used only to finance security services for buildings housing a district, county, or municipal court.

## GENERAL DEBT SERVICE FUND

The General Debt Service Fund provides the funds necessary to retire the outstanding tax-supported bonded indebtedness of the Town. Debt in this category primarily consists of general obligation bonds (GOs) and certificates of obligation (COs) that are used to pay the cost of various public improvements such as streets, land acquisitions, and the construction of facilities. Revenues are generated for the repayment of the bonds and certificates primarily through ad valorem property taxes.

The Town will not issue any new General Fund supported debt during the 2001-2002 fiscal year.

### 2002-2003 General Debt Service Revenues:

Property Taxes	\$5,523,767
Fund Balance	230,235
Interest Revenue	<u>60,467</u>
<b>Total Revenues</b>	<b>\$5,814,469</b>

**2002-2003 General Debt Service Expenditures: \$5,814,469**

## UTILITY DEBT SERVICE FUND

The Utility Debt Service Fund provides the funds necessary to retire the outstanding revenue-supported debt of the Town. Debt in this category consists of revenue-supported bonds that are used to pay the cost of improvements to the Town's water and wastewater system, and is repaid with revenues collected from utility customers.

The Town will not issue any new revenue-supported debt during the 2001-2002 fiscal year.

### 2002-2003 Utility Debt Service Revenues:

Utility Revenues	\$3,900,450
Property Taxes	86,278
Interest Revenue	<u>32,601</u>
<b>Total Revenues</b>	<b>\$4,019,329</b>

**2002-2003 Utility Debt Service Expenditures: \$3,911,808**



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