

BUDGET INFORMATION SHEET - EXHIBIT 4

General Fund – The City’s primary governmental fund. Revenues in the General Fund may be used for any governmental purpose.

General Fund – Largest revenue sources, property tax (ad valorem tax) and sales tax.

Tax Rate

Interest and Sinking Fund Rate (Debt Rate)	+	Maintenance and Operations Rate	=	City’s Property Tax Rate
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Proposed Property Tax Rate FY 2025-26: \$0.595420 which is 1.71% higher than the prior year.

Proposed Property Tax Rate FY 2025-26:

Debt portion of the rate increases approximately \$.01/\$100 AV

Operations and Maintenance remains **unchanged**: \$.00/\$100 AV

Total impact to tax rate: **increase** \$.01/\$100 AV

Estimated Property Tax Bill	FY 2025	Proposed FY 2026
Average Homestead Residential Value	\$ 378,849	\$ 386,698
O&M Rate	0.33478	0.33478
I&S Rate	0.25064	0.26064
Total Rate	0.58542	0.59542
Tax Bill	\$ 2,218	\$ 2,302
Annual Change (\$)		\$ 84
Monthly Change (\$)		\$7

Tax rate terminology:

No-new revenue rate: The **operations and maintenance portion of the tax rate** needed to raise **essentially the same maintenance and operations tax revenue** as the prior year, *less* new value added to the tax roll and tax ceiling adjustments.

Voter-approval tax rate: Limits the **operations and maintenance portion of the tax rate** *increase* to 3.5% over the prior year, *less* new property added to the tax roll and tax ceiling adjustments.

Sales tax:

Denton Sales Tax	Rate
Texas state sales tax	6.25%
Denton tax	1.50%
Special tax (DCTA)	0.50%
Combined Sales Tax:	8.25%

Enterprise Funds: Funds that are supported by rates, charges, and fees charged for a service.
Examples:

- Water
- Electric
- Wastewater
- Solid Waste
- Airport

Enterprise Funds may not generate profit. Rates, charges and fees are set to collect the revenue needed to fund maintenance, operations and capital.

Revenues generated by services provided may only be used for the continuation of that service. These funds may not be used for general governmental operations.